

AMENDED IN ASSEMBLY SEPTEMBER 6, 2005

AMENDED IN ASSEMBLY JUNE 14, 2005

SENATE BILL

No. 65

Introduced by Committee on Budget and Fiscal Review

January 14, 2005

~~An act relating to the Budget Act of 2005.~~ *An act to amend Sections 2558.46, 42238.146, 56836.11, and 56836.165 of the Education Code, to amend Section 17581.5 of the Government Code, to amend Items 6110-001-0890, 6110-107-0001, 6110-156-0890, 6110-161-0001, 6110-161-0890, 6110-228-0001, 6110-243-0001, and 8860-001-0001 of Section 2.00 of, to amend Section 12.75 of Section 2.00 of, to add Item 6110-493 to Section 2.00 of, and to repeal Item 6110-182-0001 of Section 2.00 of, Chapter 38 of the Statutes of 2005, to amend Sections 20 and 21 of Chapter 39 of the Statutes of 2005, and to amend Sections 30, 31, and 32 of Chapter 73 of the Statutes of 2005, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 65, as amended, Committee on Budget and Fiscal Review.
~~Budget Act of 2005~~ *Education finance.*

(1) Existing law requires a revenue limit to be calculated for each school district and for each county superintendent of schools, and requires the amount of the revenue limit to be adjusted for various factors. Existing law requires the Superintendent of Public Instruction to take into account the revenue limit of a school district and a county superintendent of schools when apportioning funding to school districts and to county superintendents of schools. Existing law reduces the revenue limit for the 2004-05 fiscal year by a deficit factor of 0.323% for both school districts and for county superintendents of

schools, further reduces that revenue limit for those entities for the 2003-04 and 2004-05 fiscal years by a deficit factor of 1.826%, further reduces that revenue limit for the 2005-06 and 2006-07 fiscal years by a deficit factor of 0.909% for school districts and 0.901% for county superintendents of schools.

This bill would, instead, reduce the revenue limit for each school district for the 2005-06 and 2006-07 fiscal years by a 0.892% deficit factor, and for each county superintendent of schools for the 2005-06 and 2006-07 fiscal years by a 0.898% deficit factor.

(2) Existing law requires the Superintendent of Public Instruction to calculate for each special education local plan area an amount based on (a) the number of children and youth residing in foster family homes and foster family agencies, (b) the licensed capacity of group homes licensed by the State Department of Social Services, and (c) the number of children and youth ages 3 to 21, inclusive, referred by the State Department of Developmental Services who are residing in certain skilled nursing or intermediate care facilities and the number of youth ages 18 to 21, inclusive, referred by the State Department of Developmental Services who are residing in certain community care facilities.

This bill would also include in the above calculation those children and youth, ages 3 to 21 years, inclusive, residing in small family homes. The bill would also require the above calculation for children and youth, ages 3 to 21 years, inclusive, rather than for youth ages 18 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in certain community care facilities.

(3) Existing law, for the purpose of computing an equalization adjustment for special education local plan areas, requires the Superintendent of Public Instruction to make certain computations to determine the statewide target amount per unit of average daily attendance for each special education local plan area.

This bill would revise these computations, as specified, for purposes of computing this adjustment for the 2005-06 fiscal year and each fiscal year thereafter.

(4) Existing law provides that a school district may not be required to implement or give effect to certain statutes, or portions thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if the statute, or portion thereof, has been

specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year.

This bill would, in addition, provide that a school district may not be required to implement or give effect to matters identified by the test claim number utilized by the Commission on State Mandates.

(5) Existing law, Chapter 38 of the Statutes of 2005, the Budget Act of 2005, make appropriations for the support of state government during the 2005-06 fiscal year.

This bill would amend the Budget Act of 2005 by revising items of appropriation for support of the State Department of Education and the Department of Finance relating to the Comprehensive School Reform Program, adult education, special education instruction, the Early Education Program for Individuals with Exceptional Needs, School Safety Block Grants, and other various purposes relating to public education.

(6) Existing law appropriates \$605,094,000 from the General Fund to the State Department of Education for expenditure during the 2006-07 fiscal year, in specified amounts, for apprentice programs, supplemental instruction, regional occupational centers and programs, home-to-school transportation, the Gifted and Talented Pupil Program, the Targeted Instructional Improvement Block Grant, adult education, community day schools, categorical programs for charter schools, the School Safety Program, and the Pupil Retention Block Grant, appropriates \$200,000,000 for the 2006-07 fiscal year to the Board of Governors of the California Community Colleges for general apportionments, as specified in the Budget Act of 2005. Existing law appropriates \$16,811,000 for the 1995-96, 1996-97, and 2002-03 fiscal years to the Controller to pay for prior year state obligations for K-12 and community college mandate claims and interest, as provided. Existing law provides that these funds are deemed to be in partial satisfaction of certain outstanding balances for the 1995-96, 1996-97, and 2002-03 fiscal years, and in lieu of certain amounts, including \$101,811,000 that would otherwise be appropriated, as specified.

This bill would, instead, provide that these funds are deemed to be in partial satisfaction of certain outstanding balances and in lieu of \$16,811,000 that would otherwise be appropriated, as specified.

Existing law provides that for the purposes of satisfying the minimum annual funding obligation for school districts and

community college districts required under the California Constitution, \$6,811,000 of these amounts are General Fund revenues appropriated for school districts for the 1995-96 fiscal year, as specified.

Existing law provides that for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, \$9,029,000 of these amounts are General Fund revenues appropriated for school districts for the 1996-97 fiscal year, as specified, and \$971,000 of these amounts are General Fund revenues appropriated for school districts for the 1996-97 fiscal year, as specified.

This bill would, instead, provide that, for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, \$10,000,000 of these amounts are General Fund revenues appropriated for community college districts, as defined, for the 1995-96 fiscal year.

(7) Existing law, the Budget Acts of 2000, 2001, 2002, 2003, and 2004, appropriates certain funds for purposes of Internet connectivity and network infrastructure for schools offering kindergarten and grades 1 to 12, inclusive, and county offices of education.

This bill would reappropriate these funds, thereby creating an appropriation, and make those funds available for expenditure by the Imperial County Office of Education consortium to continue management and operation of the high speed network during the 2005-06 fiscal year, with certain requirements. The bill would also require the Joint Legislative Audit Committee to conduct an audit of the K-12 High Speed Network, as specified.

(8) This bill would also make various technical, nonsubstantive changes to existing law.

(9) This bill would declare that it is to take effect immediately as an urgency statute.

~~*This bill would express the intent of the Legislature to make statutory changes relating to the Budget Act of 2005.*~~

Vote: majority²/₃. Appropriation: no-yes. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 2558.46 of the Education Code is*
2 *amended to read:*

3 2558.46. (a) (1) For the 2003-04 fiscal year, the revenue
4 limit for each county superintendent of schools determined
5 pursuant to this article shall be reduced by a 1.195 percent deficit
6 factor.

7 (2) For the 2004-05 fiscal year, the revenue limit for each
8 county superintendent of schools determined pursuant to this
9 article shall be reduced by a 0.323 percent deficit factor.

10 (3) For the 2003-04 and 2004-05 fiscal years, the revenue limit
11 for each county superintendent of schools determined pursuant to
12 this article shall be further reduced by a 1.826 percent deficit
13 factor.

14 (4) For the 2005-06 and 2006-07 fiscal years, the revenue limit
15 for each county superintendent of schools determined pursuant to
16 this article shall be further reduced by a ~~0.901~~ 0.898 percent
17 deficit factor.

18 (b) In computing the revenue limit for each county
19 superintendent of schools for the 2007-08 fiscal year pursuant to
20 this article, the revenue limit shall be determined as if the
21 revenue limit for that county superintendent of schools had been
22 determined for the 2003-04, 2004-05, 2005-06, and 2006-07
23 fiscal years without being reduced by the deficit factors specified
24 in this section.

25 *SEC. 2. Section 42238.146 of the Education Code is amended*
26 *to read:*

27 42238.146. (a) (1) For the 2003-04 fiscal year, the revenue
28 limit for each school district determined pursuant to this article
29 shall be reduced by a 1.198 percent deficit factor.

30 (2) For the 2004-05 fiscal year, the revenue limit for each
31 school district determined pursuant to this article shall be reduced
32 by a 0.323 percent deficit factor.

33 (3) For the 2003-04 and 2004-05 fiscal years, the revenue limit
34 for each school district determined pursuant to this article shall
35 be further reduced by a 1.826 percent deficit factor.

36 (4) For the 2005-06 and 2006-07 fiscal years, the revenue limit
37 for each school district determined pursuant to this article shall
38 be reduced by a ~~0.909~~ 0.892 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.

SEC. 3. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998-99 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997-98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997-98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the ~~1997-98~~ 1997-98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998-99 fiscal year to determine the statewide target amount for the 1998-99 fiscal year.

(b) Commencing with the 1999-2000 fiscal year ~~and each fiscal year thereafter~~ to the 2004-05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas ~~for the purpose~~

1 of computing the incidence multiplier pursuant to Section
2 56836.155, the Superintendent shall multiply the statewide target
3 amount per unit of average daily attendance computed for the
4 prior fiscal year pursuant to this section by one plus the inflation
5 factor computed pursuant to subdivision (b) of Section 42238.1
6 for the fiscal year in which the computation is made.

7 (c) ~~Commencing with the 1999-2000 fiscal year through and~~
8 ~~including the 2004-05 fiscal year, to determine the statewide~~
9 ~~target amount per unit of average daily attendance for special~~
10 ~~education local plan areas for the purpose of computing the~~
11 ~~inflation adjustment pursuant to paragraph (2) of subdivision (d)~~
12 ~~of Section 56836.08 and growth pursuant to subdivision (c) of~~
13 ~~Section 56836.15, the Superintendent shall multiply the statewide~~
14 ~~target amount per unit of average daily attendance computed for~~
15 ~~the prior fiscal year pursuant to this section by one plus the~~
16 ~~inflation factor computed pursuant to subdivision (b) of Section~~
17 ~~42238.1 for the fiscal year in which the computation is made.~~
18 *Commencing with the 2005-06 fiscal year and each fiscal year*
19 *thereafter, to determine the statewide target amount per unit of*
20 *average daily attendance for special education local plan areas*
21 *for the purpose of computing the incidence multiplier pursuant to*
22 *Section 56836.155, the Superintendent shall add the statewide*
23 *target amount per unit of average daily attendance computed for*
24 *the prior fiscal year for this purpose to the amount computed in*
25 *paragraph (2) of subdivision (d) or paragraph (2) of subdivision*
26 *(e), as appropriate.*

27 (d) For the 2005-06 fiscal year, the Superintendent shall make
28 the following computation to determine the statewide target
29 amount per unit of average daily attendance to determine the
30 inflation adjustment pursuant to paragraph (2) of subdivision (d)
31 of Section 56836.08 and growth pursuant to subdivision (c) of
32 Section 56836.15, as follows:

33 (1) The 2004-05 fiscal year statewide target amount per unit of
34 average daily attendance less the sum of the 2004-05 fiscal year
35 total amount of federal funds apportioned pursuant to Schedule
36 (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of
37 2004 for the purposes of special education for individuals with
38 exceptional needs enrolled in kindergarten and grades 1 to 12,
39 inclusive, divided by the total average daily attendance computed
40 for the 2004-05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by ~~one~~
~~plus~~ the inflation factor computed pursuant to subdivision (b) of
Section 42238.1 for the fiscal year in which the computation is
made.

(3) *Add the amounts computed in paragraphs (1) and (2).*

(e) Commencing with the 2006-07 fiscal year and each fiscal
year thereafter, *the Superintendent shall make the following*
computation to determine the statewide target amount per unit of
average daily attendance for special education local plan areas
for the purpose of computing the inflation adjustment pursuant to
paragraph (2) of subdivision (d) of Section 56836.08 and growth
pursuant to subdivision (c) of Section 56836.15, ~~the~~
~~Superintendent shall multiply the:~~

(1) *The* statewide target amount per unit of average daily
attendance computed for the prior fiscal year pursuant to this
section.

(2) *Multiply the amount computed in paragraph (1) by ~~one~~*
~~plus~~ the inflation factor computed pursuant to subdivision (b) of
Section 42238.1 for the fiscal year in which the computation is
made.

(3) *Add the amounts computed in paragraphs (1) and (2).*

SEC. 4. Section 56836.165 of the Education Code is amended
to read:

56836.165. (a) For the 2004-05 fiscal year and each fiscal
year thereafter, the Superintendent shall calculate for each special
education local plan area an amount based on (1) the number of
children and youth residing in foster family homes, *small family*
homes, and foster family agencies, (2) the licensed capacity of
group homes licensed by the State Department of Social
Services, and (3) the number of children and youth ages 3
~~through~~ *to 21 years, inclusive*, referred by the State Department
of Developmental Services who are residing in skilled nursing
facilities or intermediate care facilities licensed by the State
Department of Health Services and the number of *children and*
youth, ages 18 through 3 to 21 years, inclusive, referred by the
State Department of Developmental Services who are residing in
community care facilities licensed by the State Department of
Social Services.

(b) The department shall assign each facility described in
paragraphs (1), (2), and (3) of subdivision (a) a severity rating.

1 The severity ratings shall be on a scale from 1 to 14. Foster
 2 family homes *and small family homes* shall be assigned a
 3 severity rating of 1. Foster family agencies shall be assigned a
 4 severity rating of 2. Facilities described in paragraph (2) of
 5 subdivision (a) shall be assigned the same severity rating as its
 6 State Department of Social Services rate classification level. For
 7 facilities described in paragraph (3) of subdivision (a), skilled
 8 nursing facilities shall be assigned a severity rating of 14,
 9 intermediate care facilities shall be assigned a severity rating of
 10 11, and community care facilities shall be assigned a severity
 11 rating of 8.

12 (c) (1) The department shall establish a “bed allowance” for
 13 each severity level. For the ~~2004-05~~ 2004-05 fiscal year, the bed
 14 allowance shall be calculated as described in paragraph (2). For
 15 the ~~2005-06~~ 2005-06 fiscal year and each fiscal year thereafter,
 16 the department shall increase the bed allowance by the inflation
 17 adjustment computed pursuant to Section 42238.1. The
 18 department shall not establish a bed allowance for any facility
 19 defined in paragraphs (2) and (3) of subdivision (a) if it is not
 20 licensed by the State Department of Social Services or the State
 21 Department of Health Services.

22 (2) (A) The bed allowance for severity level 1 shall be five
 23 hundred two dollars (\$502).

24 (B) The bed allowance for severity level 2 shall be six hundred
 25 ten dollars (\$610).

26 (C) The bed allowance for severity level 3 shall be one
 27 thousand four hundred thirty-four dollars (\$1,434).

28 (D) The bed allowance for severity level 4 shall be one
 29 thousand six hundred forty-nine dollars (\$1,649).

30 (E) The bed allowance for severity level 5 shall be one
 31 thousand eight hundred sixty-five dollars (\$1,865).

32 (F) The bed allowance for severity level 6 shall be two
 33 thousand eighty dollars (\$2,080).

34 (G) The bed allowance for severity level 7 shall be two
 35 thousand two hundred ninety-five dollars (\$2,295).

36 (H) The bed allowance for severity level 8 shall be two
 37 thousand five hundred ten dollars (\$2,510).

38 (I) The bed allowance for severity level 9 shall be five
 39 thousand four hundred fifty-one dollars (\$5,451).

1 (J) The bed allowance for severity level 10 shall be five
2 thousand eight hundred eighty-one dollars (\$5,881).

3 (K) The bed allowance for severity level 11 shall be nine
4 thousand four hundred sixty-seven dollars (\$9,467).

5 (L) The bed allowance for severity level 12 shall be thirteen
6 thousand four hundred eighty-three dollars (\$13,483).

7 (M) The bed allowance for severity level 13 shall be fourteen
8 thousand three hundred forty-three dollars (\$14,343).

9 (N) The bed allowance for severity level 14 shall be twenty
10 thousand eighty-one dollars (\$20,081).

11 (d) (1) For each fiscal year, the department shall calculate an
12 out-of-home care funding amount for each special education
13 local plan area as the sum of amounts computed pursuant to
14 paragraphs (2), (3), and (4). The State Department of Social
15 Services and the State Department of Developmental Services
16 shall provide the State Department of Education with the
17 residential counts identified in paragraphs (2), (3), and (4).

18 (2) The number of children and youth residing on April 1 in
19 foster family homes, *small family homes*, and foster family
20 agencies located in each special education local plan area times
21 the appropriate bed allowance.

22 (3) The capacity on April 1 of each group home licensed by
23 the State Department of Social Services located in each special
24 education local plan area times the appropriate bed allowance.

25 (4) The number on April 1 of children and youth (A) ages 3
26 through 21 referred by the State Department of Developmental
27 Services who are residing in skilled nursing facilities and
28 intermediate care facilities licensed by the State Department of
29 Health Services located in each special education local plan area
30 times the appropriate bed allowance, and (B) ~~ages 18 through 3~~
31 *to 21 years, inclusive*, referred by the State Department of
32 Developmental Services who are residing in community care
33 facilities licensed by the State Department of Social Services
34 located in each special education local plan area times the
35 appropriate bed allowance.

36 (e) In determining the amount of the first principal
37 apportionment for a fiscal year pursuant to Section 41332, the
38 Superintendent shall continue to apportion funds from Section A
39 of the State School Fund to each special education local plan area

1 equal to the amount apportioned at the advance apportionment
2 pursuant to Section 41330 for that fiscal year.

3 *SEC. 5. Section 17581.5 of the Government Code is amended*
4 *to read:*

5 17581.5. (a) A school district may not be required to
6 implement or give effect to the statutes, or portion thereof,
7 identified in subdivision (b) during any fiscal year and for the
8 period immediately following that fiscal year for which the
9 Budget Act has not been enacted for the subsequent fiscal year if
10 all of the following apply:

11 (1) The statute or portion thereof, has been determined by the
12 Legislature, the commission, or any court to mandate a new
13 program or higher level of service requiring reimbursement of
14 school districts pursuant to Section 6 of Article XIII B of the
15 California Constitution.

16 (2) The statute, or portion thereof, *or the test claim number*
17 *utilized by the commission*, has been specifically identified by the
18 Legislature in the Budget Act for the fiscal year as being one for
19 which reimbursement is not provided for that fiscal year. For
20 purposes of this paragraph, a mandate shall be considered to have
21 been specifically identified by the Legislature only if it has been
22 included within the schedule of reimbursable mandates shown in
23 the Budget Act and it is specifically identified in the language of
24 a provision of the item providing the appropriation for mandate
25 reimbursements.

26 (b) This section applies only to the following mandates:

27 (1) The School Bus Safety I (CSM-4433) and II (97-TC-22)
28 mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of
29 the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

30 (2) The School Crimes Reporting II mandate (97-TC-03; and
31 Chapter 759 of the Statutes of 1992 and Chapter 410 of the
32 Statutes of 1995).

33 (3) Investment reports (96-358-02; and Chapter 783 of the
34 Statutes of 1995 and Chapters 156 and 749 of the Statutes of
35 1996).

36 (4) County treasury oversight committees (96-365-03; and
37 Chapter 784 of the Statutes of 1995 and Chapter 156 of the
38 Statutes of 1996).

(5) Grand jury proceedings mandate (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

SEC. 6. Item 6110-001-0890 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-001-0890—For support of Department of Education,
for payment to Item 6110-001-0001, payable from the
Federal Trust Fund 149,485,000
Provisions:

1. The funds appropriated in this item include Federal Vocational Education Act funds for the 2004-05 fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of vocational education programs.
2. Of the funds appropriated in this item, \$96,000 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.
3. Of the funds appropriated in this item, \$401,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act. The State Department of Education shall consult with the State Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.
4. Of the funds appropriated in this item, up to \$364,000 shall be used to provide in-service training for special and regular educators and related persons, including, but not limited to, parents, administrators, and organizations serving severely disabled children. These funds are also to provide up to four positions for this purpose.
5. Of the funds appropriated in this item, \$318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers.

- 1 6. Of the amount appropriated in this item,
2 \$1,265,000 shall be used for the administration of
3 the federal charter schools program. These activities
4 include monitoring of grant recipients, and increased
5 review and technical assistance support for federal
6 charter school grant applicants and recipients. For
7 the 2005-06 fiscal year, one Education Program
8 Consultant position shall support fiscal issues per-
9 taining to charter schools.
- 10 7. (a) Of the funds appropriated in this item,
11 \$9,898,000 is from the Child Care and Development
12 Block Grant Fund and is available for support of
13 Child Care Services.
- 14 (b) Of the amount appropriated in this item,
15 \$530,000 is for 5.5 positions within the State
16 Department of Education (SDE) to address
17 compliance monitoring and overpayments,
18 which may contribute to early detection of
19 fraud. The SDE shall provide information to the
20 Legislature and Department of Finance each
21 year that quantifies provider-by-provider level
22 data, including instances and amounts of over-
23 payments and fraud, as documented by the
24 SDE's compliance monitoring efforts for the
25 prior fiscal year.

- 1 (c) As a condition of receiving the resources speci-
2 fied in ~~subparagraph (c) of this provision~~ *subdi-*
3 *vision (b)*, it is expected that every alternative
4 payment agency will be audited each year using
5 sufficient sampling of provider records of the
6 following: (i) family fee determinations, (ii) in-
7 come eligibility, (iii) rate limits, and (iv) basis
8 for hours of care, to determine compliance
9 rates, any instances of is allocation of resources,
10 and the amount of funds expected to be recov-
11 ered from instances of both potential fraud and
12 overpayment when no intent to defraud is sus-
13 pected. This information will be contained in a
14 separate report for each provider, with a single
15 statewide summary report annually submitted to
16 the Governor and Legislature no later than
17 April 15.
- 18 8. Of the funds appropriated in this item, \$1,805,000
19 shall be used for administration of the Enhancing
20 Education Through Technology Grant Program. Of
21 this amount:
- 22 (a) \$408,000 is available only for contracted techni-
23 cal support and evaluation services.
- 24 9. Of the funds appropriated in this item,
25 \$10,140,000 is for dispute resolution services, in-
26 cluding mediation and fair hearing services, provid-
27 ed through contract for the Special Education Pro-
28 gram.
- 29 10. Of the amount provided in this item, \$881,000 is
30 provided for staff for the Special Education Focused
31 Monitoring Pilot Program to be established by the
32 State Department of Education for the purpose of
33 monitoring local educational agency compliance
34 with state and federal laws and regulations govern-
35 ing special education.

11. Of the funds appropriated in this item, \$125,000 shall be allocated for increased travel costs associated with program reviews conducted by the Special Education Division Focused Monitoring and Technical Assistance Units. Expenditure of these funds is subject to Department of Finance approval of an expenditure plan. The expenditure plan shall include the proposed travel costs associated with focused monitoring and technical assistance provided by the State Department of Education. It shall also include the estimated type and number of reviews to be conducted, and shall provide an estimated average cost per type of review. Annual renewal of this funding is subject to Department of Finance approval of an annual focused monitoring final expenditure report. The report shall be submitted on or before September 30, 2005. It shall provide the total number of reviews conducted each fiscal year, the amount of staff and personnel days and hours associated with each category of review, the travel costs associated with the type and number of reviews conducted, and an average cost per type of review.
12. Of the funds appropriated in this item, \$120,000 shall be used solely for the administration of the federal advance placement examination fee payment grant program for low-income pupils.
13. Of the funds appropriated in this item, \$243,000 shall be available for the preparation, analysis, and production of the annual federal accountability reports, as required by the Carl D. Perkins Vocational Technical Education Act.
14. Of the funds appropriated in this item, \$303,000 shall be allocated by the State Department of Education to the California State University, San Bernardino, Center for the Study of Correctional Education, for special education monitoring of and technical assistance for the California Youth Authority pursuant to Chapter 536 of the Statutes of 2001.

- 1 15. Of the funds appropriated in this item, not less than
2 \$798,000 shall be available for costs associated with
3 the administration of the High Priority Schools
4 Grant Program pursuant to Article 3.5 (commencing
5 with Section 52055.600) of Chapter 6.1 of Part 28 of
6 the Education Code and the Immediate Intervention/
7 Underperforming Schools Program pursuant to
8 Article 3 (commencing with Section 52053) of
9 Chapter 6.1 of Part 28 of the Education Code.
- 10 16. Of the funds appropriated in this item, \$419,000
11 shall be available pursuant to Chapter 1020 of the
12 Statutes of 2002 for the development and implemen-
13 tation of corrective action plans and sanctions pur-
14 suant to federal law.
- 15 17. Of the funds appropriated in this item, \$1,414,000
16 is for administration of the Reading First Program.
17 Of this amount, \$873,000 is to redirect 6.0 staff to
18 assist in program administration, and \$500,000 is for
19 the State Department of Education to contract for
20 annual evaluations of program effectiveness.
- 21 19. Of the appropriated funds in this item, \$668,000 is
22 for the department to continue developing a compre-
23 hensive strategy to address data reporting require-
24 ments associated with the No Child Left Behind Act
25 of 2001 (P.L. 107-110), and to support 5.0 positions
26 to assist with this task.
- 27 20. Of the funds appropriated in this item, \$600,000 is
28 provided for the second year of a three-year evalua-
29 tion of the High Priority Schools Grant Program pur-
30 suant to Chapter 42 of the Statutes of 2002.
- 31 21. Of the funds appropriated in this item, \$844,000 is
32 to support state operations related to the develop-
33 ment of a longitudinal database for the requirements
34 of the No Child Left Behind Act of 2001 (P.L. 107-
35 110). Of this funding, \$366,122 is for the develop-
36 ment of a Request for Proposals and is contingent
37 upon Department of Finance approval following ap-
38 proval of a Feasibility Study Report.

1 ~~22. Of the amount appropriated in this item,~~
2 ~~\$1,480,000 in carryover special education funds are~~
3 ~~available for the state's share of costs in the settle-~~
4 ~~ment of Emma C. v. Delaine Eastin et al. (N.D.Cal.,~~
5 ~~No. C96-4179TEH). The State Department of Educa-~~
6 ~~tion shall report by January 1, 2006, to the fiscal~~
7 ~~committees of the Legislature, the Department of Fi-~~
8 ~~nance, and the Legislative Analyst's Office on the~~
9 ~~planned use of the additional special education~~
10 ~~funds provided to Ravenswood Elementary School~~
11 ~~District pursuant to this settlement. The report shall~~
12 ~~also provide the State Department of Education's~~
13 ~~best estimate of when this supplemental funding will~~
14 ~~no longer be required by the court. The State Depart-~~
15 ~~ment of Education shall comply with the require-~~
16 ~~ments of Section 948 of the Government Code in~~
17 ~~any future requests for funds to satisfy this settle-~~
18 ~~ment.~~

19 23. Of the amount appropriated in this item, \$400,000
20 is available to fund 3.0 positions (2.75 PYs) and as-
21 sociated costs for administering the English Lan-
22 guage Development materials program specified in
23 Provision 2 of Item 6110-189-0001. The positions
24 are available on a two-year limited-term basis end-
25 ing June 30, 2006.

- 1 24. Of the amount appropriated in this item, \$267,000
2 shall be used to develop an Internet-based electronic
3 clearinghouse system to improve the availability of
4 parental information documents that are translated
5 into languages other than English. The purpose of
6 this system is to improve the availability of these
7 documents at the local level and reduce the local
8 costs of providing these documents by eliminating
9 duplication of effort in translating standard docu-
10 ments. The system shall include an interactive Web
11 portal located on the State Department of Educa-
12 tion's Web site, which shall allow local education
13 agencies to submit, locate, and access locally trans-
14 lated parental documents and may include docu-
15 ments that the department is responsible for translat-
16 ing. The funding shall also be used to fund one posi-
17 tion to manage the development and maintenance of
18 the Internet clearinghouse site. The addition of an
19 electronic clearinghouse for locally translated docu-
20 ments to the State Department of Education's Web
21 site shall not constitute a new information technolo-
22 gy project or increase in funding for an information
23 technology project for purposes of project reporting
24 and oversight.
- 25 25. Of the amount appropriated in this item, \$832,000
26 (\$600,000 reimbursements and \$232,000 federal
27 special education funds) shall be used to fund six
28 positions and implement the provisions of Chapter
29 914 of the Statutes of 2004 for increased monitoring
30 of nonpublic, nonsectarian schools.
- 31 26. Of the amount appropriated in this item, \$963,000
32 in federal special education funds shall be used to
33 augment funding for State Special Schools trans-
34 portation.

- 1 27. Of the funds appropriated in this item, \$350,000
2 shall be for the department to contract for a teacher
3 data system feasibility study. The feasibility study
4 shall: (a) inventory the teacher data elements (name,
5 code, and definition) currently collected by state
6 agencies and county offices of education, (b) identi-
7 fy existing redundancies (two or more agencies col-
8 lecting the same data) and inefficiencies (agencies
9 collecting data without a specific, meaningful pur-
10 pose), (c) identify state agencies' and county of-
11 fices' existing teacher data needs for meeting state
12 and federal compliance and reporting requirements,
13 (d) identify the most cost-effective approach for
14 converting the existing data systems into an integrat-
15 ed, comprehensive, longitudinally linked teacher in-
16 formation system that can yield high-quality pro-
17 gram evaluations, and (e) estimate the additional
18 one-time and ongoing costs associated with the new
19 system. In developing the associated request for pro-
20 posals and selecting the vendor, the department shall
21 convene a working group that includes the Depart-
22 ment of Finance, the Legislative Analyst's Office,
23 and other interested parties. The study shall be sub-
24 mitted to the Governor and Legislature by March
25 31, 2006.
- 26 29. Of the funds appropriated in this item, \$443,000 is
27 for 3.0 positions within the State Department of Edu-
28 cation for increased monitoring associated with
29 Chapter 493 of the Statutes of 2004.
- 30 30. Of the funds appropriated in this item, \$2,000,000
31 from federal Title funds shall be available for the de-
32 partment to contract for an independent evaluation
33 to determine whether California has met the assess-
34 ment requirements of the federal No Child Left Be-
35 hind Act. The expenditure of these funds shall be
36 contingent on approval of an expenditure plan and
37 request for proposal by the State Board of Education
38 and the Department of Finance.

- 1 31. (a) Prior to expenditure of the funds pursuant to
2 subdivision (b), the State Department of Education
3 (SDE) shall build upon pre-existing, high-quality
4 translations available from school districts, county
5 offices of education, and other entities that have
6 translated relevant documents, including those identi-
7 fied by the advisory group.
- 8 (b) Of the funds appropriated in this item, \$450,000
9 is available to the SDE for the cost of translat-
10 ing into languages other than English state pro-
11 totype documents that it currently provides to
12 school districts to help them comply with
13 parental notification requirements under state
14 and federal law. The SDE shall be required to
15 contract with appropriate translators or transla-
16 tor services to translate these documents. The
17 SDE shall post all documents translated as a re-
18 sult of the appropriation referenced in this provi-
19 sion on its existing Internet-based electronic
20 clearinghouse system of state- and locally trans-
21 lated parental notification documents.

(c) The SDE shall convene a translations advisory group comprised of the following representatives: the Department of Finance, the SDE, the Legislative Analyst's Office, legislative staff, the ~~OSE~~ *Office of the Secretary for Education*, relevant organizations, local educational agencies, and limited-English-speaking parents of children in the public K-12 educational system. The purposes of the advisory group shall be the following: (1) to assess and identify gaps in the types of documents being translated and the languages covered by translations, (2) to prioritize vital documents that should be translated, as well as languages of greatest need for translation, and (3) to provide feedback and input to the department, including procedures for translations, quality, dissemination, and outreach. The advisory group shall include no more than ten individuals, with no more than one person from each state level entity.

SEC. 7. Item 6110-104-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-104-0001—For local assistance, Department of Education(Proposition 98), Program 10.10.011- School Apportionments—Remedial Supplemental Instruction Programs, for transfer to Section A of the State School Fund, for supplemental instruction and remedial programs	205,131,000 291,431,000
Schedule:	
(1) 10.10.011.008-School Apportionments, for Supplemental instruction, Remedial, Grades 7-12 for the purposes of Section 37252 of the Education Code	165,222,600
(2) 10.10.011.009-School Apportionments, for Supplemental Instruction, Retained, or Recommended for Retention, Grades 2-9, for the purposes of Section 37252.2 of the Education Code, as applicable	39,908,400

- 1 (3) *10.10.011.010—School Apportion-*
 2 *ments, for Supplemental Instruction,*
 3 *Low STAR or at-risk, Grades 2-6, for*
 4 *the purposes of Section 37252.8 of*
 5 *the Education Code, as applicable*
 6 15,534,000
 7 (4) *10.10.011.011—School Apportion-*
 8 *ments, for Supplemental Instruction,*
 9 *core academic, Grades K-12, for the*
 10 *purposes of Section 37253 of the Edu-*
 11 *cation Code* 70,766,000

12 Provisions:

- 13 1. Notwithstanding any other provision of law, for the
 14 2005-06 fiscal year the Superintendent of Public In-
 15 struction shall allocate a minimum of \$7,871 for sup-
 16 plemental summer school programs in each school
 17 district for which the prior fiscal year enrollment was
 18 less than 500 and that, in the 2005-06 fiscal year, of-
 19 fers at least 1,500 hours of supplemental summer
 20 school instruction. A small school district, as de-
 21 scribed above, that offers less than 1,500 hours of
 22 supplemental summer school offerings shall receive
 23 a proportionate reduction in its allocation. For the
 24 purpose of this provision, supplemental summer
 25 school programs shall be defined as programs autho-
 26 rized under paragraph (2) of subdivision (f) of Sec-
 27 tion 42239 of the Education Code as it read on July
 28 1, 1999.
 29 2. Notwithstanding any other provision of law, for the
 30 2005-06 fiscal year, the maximum reimbursement to
 31 a school district or charter school for the program
 32 listed in Schedule (4) shall not exceed 5 percent of
 33 the district or charter school's enrollment multiplied
 34 by 120 hours, multiplied by the hourly rate for the
 35 2005-06 fiscal year.
 36 4. Notwithstanding any other provision of law, the
 37 rate of reimbursement shall be \$3.73 per hour of sup-
 38 plemental instruction.

5. Notwithstanding any other provision of law, if the funds in this item are insufficient to fund otherwise valid claims, the superintendent shall adjust the rates to conform to available funds.

6. Of the funds appropriated in this item, ~~\$8,325,000~~ \$11,826,428 is for the purpose of providing a cost-of-living adjustment of 4.23 percent. Additionally, ~~\$1,348,000~~ \$1,915,222 is for the purpose of providing for increases in average daily attendance at a rate of 0.69 percent for supplemental instruction and remedial programs, in lieu of the amount that would otherwise be provided pursuant to any other provision of law.

7.5. The funding appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for implementing Section 37252.2 of the Education Code. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

8. Notwithstanding any other provision of law, an additional ~~\$63,391,000~~ \$90,117,000 in expenditures for this item has been deferred until the 2006-07 fiscal year.

SEC. 8. Item 6110-107-0001 of Section 2.00 of Chapter 38 of the statutes of 2005 is amended to read:

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight	10,549,000
Schedule:	
(1) 10.10.002-COE Oversight	5,268,000
(2) 10.10.005-FCMAT.....	2,729,000
(3) 10.10.012-FCMAT: CSIS	250,000
(4) 10.10.013-Audit Appeal Panel	55,000
(5) 10.10.015-Interim Reporting	1,050,000
(6) 10.10.016-Staff Development	1,197,000
Provisions:	

1. The funds appropriated in Schedule (1) of this item are for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991 and subsequent legislation.
2. Funds contained in Schedule (1) may be used for activities, including, but not limited to, conducting reviews, examinations, and audits of districts and providing written notifications of the results at least annually by county offices of education on the fiscal solvency of the districts with disapproved budgets, qualified or negative certifications, or, pursuant to Section 42127.6 of the Education Code, districts facing fiscal uncertainty. Written notifications of the results of these reviews, audits, and examinations shall be provided at least annually to the district governing board, the Superintendent of Public Instruction, the Director of Finance, and the Office of the Secretary for Education.
- 3.5. The funding appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for school district and county office of education fiscal accountability reporting. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.
4. Of the funds appropriated in Schedule (2) of this item:
 - (a) \$2,061,000 shall be allocated by the Controller directly to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds, to meet the costs of participation under Section 42127.8 of the Education Code.

1 (b) \$250,000 shall be available to develop and imple-
2 ment the activities of regional teams of fiscal ex-
3 perts to assist districts in fiscal distress.

4 (c) \$418,000 shall be allocated to FCMAT for the
5 purpose of providing, through computer technolo-
6 gy, financial and demographic information that is
7 interactive and immediately accessible to all lo-
8 cal education agencies to assist them in their deci-
9 sionmaking process. To ensure a completely inte-
10 grated system, this computer information should
11 be developed in collaboration with the State De-
12 partment of Education, and should be compatible
13 with the hardware and software of the State De-
14 partment of Education, so that this information
15 may also assist state-level policymakers in mak-
16 ing comparable standardized financial informa-
17 tion available to the local education agencies and
18 the public.

19 5. Of the funds appropriated in Schedule (3) of this
20 item, \$250,000 shall be available to the FCMAT to
21 pay for project management services for CSIS. These
22 funds shall be used to supplement and not supplant
23 other CSIS funds available for project management
24 services.

25 6. Of the funds appropriated in Schedule (5) of this
26 item, \$150,000 shall be available for no more than a
27 25 percent state reimbursement to county offices of
28 education for fiscal oversight of school districts with
29 audit exceptions, districts with qualified or negative
30 interim reports, districts that may be unable to meet
31 financial obligations for the current or subsequent fis-
32 cal years, or districts with disapproved budgets.

- 1 7. Up to \$900,000 of the funds appropriated in Schedule
2 (5) may also be used to fully reimburse county office
3 of education activities for extraordinary costs of au-
4 dits, examinations, or reviews of district budgets in
5 cases where fraud, misappropriation of funds or other
6 illegal fiscal practices require COE review, pursuant
7 to Section 2 of Chapter 620 of the Statutes of 2001.
8 The State Board of Education may request any county
9 superintendent of schools to initiate such an audit, ex-
10 amination, or review for any charter school or all-
11 charter district for which the board has oversight re-
12 sponsibility. Allocation of the funds shall be adminis-
13 tered by FCMAT on a reimbursement basis. All reim-
14 bursements shall be subject to the approval of both
15 the Department of Finance and the State Department
16 of Education.
- 17 8. The amount appropriated in Schedule (5) of this item
18 shall remain available for expenditure for the 2005-06
19 and 2006-07 fiscal years. Any unexpended balance as
20 of September 1, 2006, shall be available through July
21 30, 2007, for the following, in order of descending
22 priority:
- 23 (a) ~~Regional assistance teams developed pursuant to~~
24 ~~Provision 4(b) of this item.~~ *Any review or audit*
25 *jointly requested by the State Department of Edu-*
26 *cation and the Department of Finance, to be con-*
27 *ducted by a county superintendent of schools in*
28 *cases where fraud, misappropriation of funds, or*
29 *other illegal fiscal practices are suspected.*
- 30 (b) Staff development pursuant to Provision 11 ~~of~~
31 ~~this item.~~
- 32 (c) *Regional assistance teams developed pursuant to*
33 *Provision 4(b) of this item.*

- 1 9. Notwithstanding Section 26.00, the funds appropriat-
2 ed in this item shall be allocated in accordance with
3 the above schedule unless a revision to the allocations
4 contained herein has been approved by the Depart-
5 ment of Finance. The Department of Finance may not
6 authorize any such revision sooner than 30 days after
7 notification in writing of the necessity therefor to the
8 chairperson of the committee in each house that con-
9 sider appropriations and the Chairperson of the Joint
10 Legislative Budget Committee, or not sooner than
11 whatever lesser time the chairperson of the joint com-
12 mittee, or his or her designee, may in each instance
13 determine.
- 14 10. The funds appropriated in Schedule (4) of this item
15 are for the additional staff and resources needed for
16 FCMAT to ensure that timely resolution of audit find-
17 ings is achieved pursuant to the directives of Educa-
18 tion Code Section 41344.
- 19 11. Of the funds appropriated in Schedule (6) of this
20 item, \$854,000 is for the purpose of providing staff
21 development to local education agency school finance
22 and business personnel, as provided in Section
23 42127.8 of the Education Code. The funds appropriat-
24 ed in Schedule (6) shall be allocated by the Controller
25 directly to a county office of education selected pur-
26 suant to subdivision (a) of Section 42127.8 of the Edu-
27 cation Code to oversee FCMAT's responsibilities
28 with respect to these funds. \$343,000 of the funds ap-
29 propriated in Schedule (6) is for the purpose of provid-
30 ing training that shall be developed and facilitated
31 pursuant to Section 42127.8 of the Education Code to
32 increase school district and school-level capacity to
33 implement and manage site-based budgeting and deci-
34 sionmaking governance structures.

12. Notwithstanding any other provision of law, funds appropriated in Schedules (1), (2), (4), (5), and (6), of this item to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee FCMAT responsibilities, shall be allocated by the State Controller directly to that county office of education as soon as possible but no later than 60 days after the enactment of the Budget Act. Funds appropriated in this item shall not be subject to grant allocation or review processes on the part of the State Department of Education nor the Superintendent of Public Instruction. The county office of education that receives these funds shall annually provide a report detailing past year expenditures, identifying the local education agencies (LEA) assisted with these funds and a summary of progress for each. Additionally, the report shall identify a plan for the proposed uses of the allocations in this item, identifying estimated expenditures for each LEA anticipated to be served. This report shall be submitted to the Department of Education and to the Department of Finance by October 1, 2005.

SEC. 9. Item 6110-156-0890 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust 79,212,000

Provisions:

- 1 1. Under any grant awarded by the State Department of Education un-
2 der this item to a qualifying community-based organization to pro-
3 vide adult basic education in English as a Second Language and En-
4 glish as a Second Language-Citizenship classes, the department shall
5 make an initial payment to the organization of 25 percent of the
6 amount of the grant. In order to qualify for an advance payment, a
7 community-based organization shall submit an expenditure plan and
8 shall guarantee that appropriate standards of educational quality and
9 fiscal accountability are maintained. In addition, reimbursement of
10 claims shall be distributed on a quarterly basis. The State Depart-
11 ment of Education shall withhold 10 percent of the final payment of
12 a grant as described in this provision until all claims for that commu-
13 nitybased organization have been submitted for final payment.

1 2. (a) Notwithstanding any other provision of law, all nonlocal educa-
2 tional agencies (Non-LEA) receiving greater than \$300,000 pur-
3 suant to this item shall submit an annual organizational audit, as
4 specified, to the State Department of Education, Office of Exter-
5 nal Audits.

6 All audits shall be performed by one of the following: (1) a
7 certified public accountant possessing a valid license to practice
8 within California; (2) a member of the State Department of Edu-
9 cation's staff of auditors; or (3) in-house auditors, if the entity
10 receiving funds pursuant to this item is a public agency, and if
11 the public agency has internal staff that performs auditing func-
12 tions and meets the tests of independence found in Standards for
13 Audits of Governmental Organization, Programs, Activities and
14 Functions issued by the Comptroller General of the United
15 States.

16 The audit shall be in accordance with State Department of
17 Education audit guidelines and Office of Management and Bud-
18 get, Circular No. A-133, Audits of Institutions of Higher Educa-
19 tion and Other Non-Profit Institutions.

20 Non-LEA entities receiving funds pursuant to this item shall
21 submit the annual audit no later than six months from the end of
22 the agency fiscal year. If, for any reason, the contract is terminat-
23 ed during the contract period, the auditor shall cover the period
24 from the beginning of the contract through the date of termina-
25 tion.

26 Non-LEA entities receiving funds pursuant to this item shall be
27 held liable for all State Department of Education costs incurred
28 in obtaining an independent audit if the contractor fails to pro-
29 duce or submit an acceptable audit.

1 (b) Notwithstanding any other provision of law, the State Depart-
2 ment of Education shall annually submit to the Governor, Joint
3 Legislative Budget Committee, and Joint Legislative Audit
4 Committee limited scope audit reports of all subrecipients it is
5 responsible for monitoring that receive between \$25,000 and
6 \$300,000 of federal awards, and that do not have an organiza-
7 tion-wide audit performed. These limited scope audits shall be
8 conducted in accordance with the State Department of Educa-
9 tion audit guidelines and Office of Management and Budget,
10 Circular No. A-133. The State Department of Education may
11 charge audit costs to applicable federal awards, as authorized by
12 OMB, Circular No. A-133 Section 230(b)(2).

13 The limited scope audits shall include agreed-upon proce-
14 dures engagements conducted in accordance with either AICPA
15 generally accepted auditing standards or attestation standards,
16 and address one or more of the following types of compliance
17 requirements: allowed or unallowed activities; allowable costs
18 and cost principles; eligibility; matching; level of effort; ear-
19 marking; and reporting.

20 The State Department of Education shall contract for the lim-
21 ited scope audits with a certified public accountant possessing a
22 valid license to practice within the state or with an independent
23 auditor.

3. On or before March 1, 2006, the State Department of Education shall report to the appropriate subcommittees of the Assembly Budget Committee and the Senate Budget and Fiscal Review Committee on the following aspects of Title II of the federal Workforce Investment Act: (a) the makeup of those adult education providers that applied for competitive grants under Title II and those that obtained grants, by size, geographic location, and type (school districts, community colleges, community-based organizations, other local entities); (b) the extent to which participating programs were able to meet planned performance targets; and (c) a breakdown of the types of courses (ESL, ESL-Citizenship, ABE, ASE) included in the performance targets of participating agencies. It is the intent of the Legislature that the Legislature and State Department of Education utilize the information provided pursuant to this provision to (a) evaluate whether any changes need to be made to improve the implementation of the accountability-based funding system under Title II and (b) evaluate the feasibility of any future expansion of the accountability-based funding system using state funds.
4. The State Department of Education shall continue to ensure that outcome measures for Department of Mental Health and Department of Developmental Services clients are set at a level where these clients will continue to be eligible for adult education services in the 2005-06 fiscal year and beyond to the full extent authorized under federal law. The State Department of Education shall also consult with the Department of Mental Health, Department of Developmental Services, and Department of Finance for this purpose.
5. *Of the funds appropriated in this item, \$3,625,000 is a one-time carryover from prior years.*

SEC. 10. Item 6110-161-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children	2,890,022,000
Schedule:	
(1) 10.60.050.003-Special education instruction	2,826,428,000
(2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs	77,989,000

- 1 (3) Reimbursements for Early Educa-
2 tion Program, Part C -14,395,000
3 Provisions:
4 1. Funds appropriated by this item are for transfer by
5 the Controller to Section A of the State School
6 Fund, in lieu of the amount that otherwise would be
7 appropriated for transfer from the General Fund in
8 the State Treasury to Section A of the State School
9 Fund for the 2005-06 fiscal year pursuant to Sec-
10 tions 14002 and 41301 of the Education Code, for
11 apportionment pursuant to Part 30 (commencing
12 with Section 56000) of the Education Code, super-
13 seding all prior law.
14 2. Of the funds appropriated in Schedule (1) of this
15 item, ~~\$11,428,000~~ *\$11,448,000*, plus any COLA,
16 shall be available for the purchase, repair, and in-
17 ventory maintenance of specialized books, materi-
18 als, and equipment for pupils with low-incidence
19 disabilities, as defined in Section 56026.5 of the
20 Education Code.
21 3. Of the funds appropriated in Schedule (1) of this
22 item, ~~\$8,826,000~~ *\$8,842,000*, plus any COLA, shall
23 be available for the purposes of vocational training
24 and job placement for special education pupils
25 through Project Workability I pursuant to Article 3
26 (commencing with Section 56470) of Chapter 4.5
27 of Part 30 of the Education Code. As a condition of
28 receiving these funds, each local educational agen-
29 cy shall certify that the amount of nonfederal re-
30 sources, exclusive of funds received pursuant to
31 this provision, devoted to the provision of vocation-
32 al education for special education pupils shall be
33 maintained at or above the level provided in the
34 1984-85 fiscal year. The Superintendent of Public
35 Instruction may waive this requirement for local
36 educational agencies that demonstrate that the re-
37 quirement would impose a severe hardship.

- 1 4. Of the funds appropriated in Schedule (1) of this
2 item, \$4,612,000, plus any COLA, shall be avail-
3 able for regional occupational centers and pro-
4 grams that serve pupils having disabilities, and
5 \$77,055,000, plus any COLA, shall be available for
6 regionalized program specialist services,
7 \$1,807,000, plus any COLA, for small special edu-
8 cation local plan areas (SELPA) pursuant to Sec-
9 tion 56836.24 of the Education Code.
- 10 5. Of the funds appropriated in Schedule (1),
11 \$1,000,000 is provided for extraordinary costs asso-
12 ciated with single placements in nonpublic, nonsec-
13 tarian schools, pursuant to Section 56836.21 of the
14 Education Code.
- 15 6. Of the funds appropriated in Schedule (1), a total
16 of ~~\$183,196,000~~ *\$178,180,000*, plus any COLA, is
17 available to fund the ~~costs of children placed in li-~~
18 ~~icensed children's institutions who attend nonpublic~~
19 ~~schools based on the~~ *out-of-home care* funding for-
20 mula authorized in Chapter 914 of the Statutes of
21 2004.
- 22 7. Of the amount appropriated in Schedule (2) of this
23 item, \$514,000, plus any COLA, shall be available
24 for infant program growth units (ages birth-two
25 years). Funds for infant units shall be allocated pur-
26 suant to Provision 11 of this item, with the follow-
27 ing average number of pupils per unit:
28 (a) For special classes and centers--16.
29 (b) For resource specialist programs--24.
30 (c) For designated instructional services--16.

- 1 8. Notwithstanding any other provision of law, early
2 education programs for infants and toddlers shall
3 be offered for 200 days. Funds appropriated in
4 Schedule (2) shall be allocated by the State Department
5 of Education for the 2005-06 fiscal year to
6 those programs receiving allocations for instructional
7 units pursuant to Section 56432 of the Education
8 Code for the Early Education Program for Individuals
9 with Exceptional Needs operated pursuant to
10 Chapter 4.4 (commencing with Section 56425) of
11 Part 30 of the Education Code, based on computing
12 200-day entitlements. Notwithstanding any other
13 provision of law, funds in Schedule (2) shall be
14 used only for the purposes specified in Provisions
15 10 and 11 of this item.
- 16 9. Notwithstanding any other provision of law, state
17 funds appropriated in Schedule (2) of this item in
18 excess of the amount necessary to fund the deficit-
19 ed entitlements pursuant to Section 56432 of the
20 Education Code and Provision 10 of this item shall
21 be available for allocation by the State Department
22 of Education to local educational agencies for the
23 operation of programs serving solely low-incidence
24 infants and toddlers pursuant to Title 14 (commencing
25 with Section 95000) of the Government Code.
26 These funds shall be allocated to each local educational
27 agency for each solely low-incidence child
28 through age two in excess of the number of solely
29 low-incidence children through age two served by
30 the local educational agency during the 1992-93
31 fiscal year and reported on the April 1993 pupil
32 count. These funds shall only be allocated if the
33 amount of reimbursement received from the State
34 Department of Developmental Services is insufficient
35 to fully fund the costs of operating the Early
36 Intervention Program, as authorized by Title 14
37 (commencing with Section 95000) of the Government
38 Code.

- 1 10. The State Department of Education, through coord-
2 nation with the SELPAs, shall ensure local intera-
3 gency coordination and collaboration in the provi-
4 sion of early intervention services, including local
5 training activities, child-find activities, public
6 awareness, and the family resource center activi-
7 ties.
- 8 11. Funds appropriated in this item, unless otherwise
9 specified, are available for the sole purpose of
10 funding 2005-06 special education program costs
11 and shall not be used to fund any prior year adjust-
12 ments, claims or costs.
- 13 12. Of the amount provided in Schedule (1),
14 \$162,000, plus any COLA, shall be available to ful-
15 ly fund the declining enrollment of necessary small
16 SELPAs pursuant to Chapter 551 of the Statutes of
17 2001.
- 18 13. Pursuant to Section 56427 of the Education Code,
19 of the funds appropriated in Schedule (1) of this
20 item, up to \$2,324,000 may be used to provide
21 funding for infant programs, and may be used for
22 those programs that do not qualify for funding pur-
23 suant to Section 56432 of the Education Code.
- 24 14. Of the funds appropriated in Schedule (1) of this
25 item, \$29,478,000 shall be allocated to local educa-
26 tional agencies for the purposes of Project Worka-
27 bility I.
- 28 15. Of the funds appropriated in Schedule (1) of this
29 item, \$1,700,000 shall be used to provide special-
30 ized services to pupils with low-incidence disabili-
31 ties, as defined in Section 56026.5 of the Education
32 Code.

16. Of the funds appropriated in Schedule (1) of this item, up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004.
17. Of the funds appropriated in Schedule (1) of this item, up to \$200,000 shall be used for research and training in cross-cultural assessments.
18. Of the amount specified in Schedule (1) of this item, \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.
19. Of the amount provided in Schedule (1), ~~\$121,896,000~~ \$121,199,000 is provided for a COLA at a rate of 4.23 percent.
20. Of the amount provided in Schedule (2), \$3,165,000 is provided for a COLA at a rate of 4.23 percent.
21. Of the amount specified in Schedule (1) of this item, ~~\$12,800,000~~ \$58,377,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854, Statutes of 1997, *consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code.*

- 1 22. Of the amount appropriated in this item,
2 \$1,480,000 is available for the state's share of costs
3 in the settlement of Emma C. v. Delaine Eastin, et
4 al. (N.D. Cal. No. C96-4179TEH). The State De-
5 partment of Education shall report by January 1,
6 2006, to the fiscal committees of both houses of the
7 Legislature, the Department of Finance, and the
8 Legislative Analyst's Office on the planned use of
9 the additional special education funds provided to
10 the Ravenswood Elementary School District pur-
11 suant to this settlement. The report shall also pro-
12 vide the State Department of Education's best esti-
13 mate of when this supplemental funding will no
14 longer be required by the court. The State Depart-
15 ment of Education shall comply with the require-
16 ments of Section 948 of the Government Code in
17 any further request for funds to satisfy this settle-
18 ment.
- 19 23. Of the funds appropriated in this item, \$2,500,000
20 shall be allocated directly to special education local
21 plan areas for a personnel development program
22 that meets the highly qualified teacher require-
23 ments and ensures that all personnel necessary to
24 carry out this part are appropriately and adequately
25 prepared, subject to the requirements of paragraph
26 (14) of subdivision (a) of Section 612 of the Individ-
27 uals with Disabilities Education Act of 2004
28 (IDEA), and Section 2122 of the Elementary and
29 Secondary Education Act of 1965. The local in-ser-
30 vice programs shall include a parent training com-
31 ponent and may include a staff training component,
32 and may include a special education teacher compo-
33 nent for special education service personnel and
34 paraprofessionals, consistent with state certification
35 and licensing requirements. Use of these funds
36 shall be described in the local plans. These funds
37 may be used to provide training in alternative dis-
38 pute resolution and the local mediation of disputes.
39 All programs are to include evaluation components.

24. Of the amount appropriated in Schedule (1),
~~\$47,852,000~~ \$52,610,000 is available for the 2005-
 06 fiscal year in accordance with both of the follow-
 ing:

- (a) Any amount needed to augment the amounts appropriated in Schedules (1) or (2) to ensure full funding for the 2005–06 fiscal year.
- (b) Once the amount needed to satisfy (a) is determined, the remaining funds shall be allocated on a one-time basis to SELPAs. These funds shall be distributed based on the average daily attendance of each SELPA consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. Local educational agencies shall use these funds for one-time purposes, including, but not limited to, the following: to assist students with disabilities pass the California High School Exit Examination, instructional materials, or other one-time expenditures for ~~students with disabilities~~ individuals with exceptional needs. First priority for the use of these funds shall be to provide services to pupils with disabilities who are required to pass the California High School Exit Examination in order to receive a diploma in 2006 and who have failed one or both parts of that examination.

SEC. 11. Item 6110-161-0890 of Section 2.00 of Chapter 38 of Statutes of 2005 is amended to read:

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children		1,149,044,000
Schedule:		
(1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education		970,398,000
(2) 10.60.050.013-State Agency Entitlements, IDEA Special Education .		
.....		2,152,000

1	(3) 10.60.050.015-IDEA, Local Entitle-	
2	ments, Preschool Program	59,240,000
3	(4) 10.60.050.021-IDEA, State Level	
4	Activities	73,220,000
5	(5) 10.60.050.030-P.L. 99-457,	
6	Preschool Grant Program	39,161,000
7	(6) 10.60.050.031-IDEA, State Im-	
8	provement Grant, Special Educa-	
9	tion	2,079,000
10	(7) 10.60.050.032-IDEA, Family Em-	
11	powerment Centers	2,794,000
12	Provisions:	
13	1. If the funds for Part B of the federal Individuals with Disabilities	
14	Education Act that are actually received by the state exceed	
15	\$1,132,573,000, at least 95 percent of the funds received in excess of	
16	that amount shall be allocated for local entitlements and to state	
17	agencies with approved local plans. Up to 5 percent of the amount	
18	received in excess of \$1,132,573,000 may be used for state adminis-	
19	trative expenses upon approval of the Department of Finance. If the	
20	funds for Part B of the federal Individuals with Disabilities Educa-	
21	tion Act that are actually received by the state are less than	
22	\$1,132,573,000, the reduction shall be taken in other state level activ-	
23	ities.	
24	2. The funds appropriated in Schedule (2) shall be distributed to state-	
25	operated programs serving disabled children from 3 to 21 years of	
26	age, inclusive. In accordance with federal law, the funds appropriat-	
27	ed in Schedules (1) and (2) shall be distributed to local and state	
28	agencies on the basis of the federal Individuals with Disabilities Educa-	
29	tion Act permanent formula.	

3. ~~Of the funds appropriated in Schedule (4) of this item, \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of Section 612 (a)(14) of the Individuals with Disabilities Education Improvement Act of 2004 and Section 2122 of the Elementary and Secondary Education Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.~~
4. Of the funds appropriated in Schedule (4) of this item, up to \$300,000 shall be used to develop and test procedures, materials, and training for alternative dispute resolution in special education.
5. Of the funds appropriated by Schedule (5) for the Preschool Grant Program, \$1,228,000 shall be used for in-service training and shall include a parent training component and may, in addition, include a staff training program. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. This program shall include state-sponsored and local components.
6. Of the funds appropriated in this item, \$1,420,000 is available for local assistance grants for the Quality Assurance and Focused Monitoring Pilot Program to monitor local educational agency compliance with state and federal laws and regulations governing special education. This funding level is to be used to continue the facilitated reviews and, to the extent consistent with the key performance indicators developed by the State Department of Education, these activities focus on local educational agencies identified by the United States Department of Education's Office of Special Education Programs.
7. The funds appropriated in Schedule (7) shall be used for the purposes of Family Empowerment Centers on Disabilities pursuant to Chapter 690 of the Statutes of 2001.

8. Notwithstanding the notification requirements listed in subdivision (d) of Section 26.00, the Department of Finance is authorized to approve intraschedule transfers of funds within this item submitted by the State Department of Education for the purposes of ensuring that special education funding provided in this item is appropriated in accordance with the statutory funding formula required by federal IDEA and the special education funding formula required pursuant to Chapter 7.2 (commencing with Section 56836) of Part 30 of the Education Code, without waiting 30 days, but shall provide a notice to the Legislature each time a transfer occurs.
9. Of the funds appropriated in Schedule (4) of this item, \$69,000,000 shall be used exclusively to support mental health services that are provided during the 2005-06 fiscal year by county mental health agencies pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code and that are included within an individualized education program pursuant to the federal Individuals with Disabilities Education Act. Each county office of education receiving these funds shall contract, on behalf of special education local planning areas in their county, with the county mental health agency to provide specified mental health services. This funding shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for provision of the mental health services provided in 2005-06. Amounts allocated to each county office of education shall reflect the share of the \$69,000,000 in federal special education funds provided to that county in 2004-05 for mental health services provided pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code.
10. Of the amount appropriated in Schedule (1) ~~of this item~~, \$58,377,000 represents the increase in the local assistance portion of the federal grant in 2005-06. These funds have been passed through to be used by each SELPA for discretionary purposes *consistent with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)*.

SEC. 12. Item 6110-182-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is repealed.

~~6110-182-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.030-K-12 High Speed Network~~

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Provisions:

2. ~~\$21,025,000 of unexpended funds originally provided -
for Internet connectivity and network infrastructure
for grades K-12 schools and county offices of educa-
tion from the following appropriations are available
for allocation to the Imperial County Office of Educa-
tion to continue management and operation of the K-
12 high speed Internet network during the 2005-06
fiscal year: Item 6440-001-0001, Schedule (a), Provi-
sion 44 of Chapter 52, Statutes of 2000; Item 6440-
001-0001, Schedule (1), Provision 24 of Chapter 106,
Statutes of 2001; Item 6440-001-0001, Schedule (1),
Provision 24 of Chapter 379, Statutes of 2002; Item
6440-001-0001, Schedule (1), Provision 22 of Chap-
ter 157, Statutes of 2003; Item 6110-182-0001, Chap-
ter 208, Statutes of 2004. Of these unexpended funds,
the Imperial County Office of Education consortium
may use up to \$1,221,000 to administer and support
the program. The program shall be governed pursuant
to legislation enacted for this purpose on or before
January 1, 2006, during the 2005-06 Regular Session.~~
3. ~~Prior to the expenditure of funds referenced in Provi-
sion 2, the Joint Legislative Audit Committee (JLAC)
shall conduct an audit of the K-12 High Speed Net-
work. The audit shall identify prior-year funds that re-
main available for the project and determine whether
the state owns the network (which would affect the
network's future development and use). The JLAC
audit also shall include an assessment of: (a) the quali-
ty of project oversight, (b) the reasonableness of
CENIC's existing cost allocation methodology, and
© the appropriateness of the contracts entered into by
state agencies transferring funds to CENIC.~~

*SEC. 13. Item 6110-228-0001 of Section 2.00 of Chapter 38
of the Statutes of 2005 is amended to read:*

6110-228-0001—For local assistance, Department of Educa-
tion (Proposition 98), for transfer to Section A of the
State School Fund for allocation by the Controller,
School Safety 52,537,000
Schedule:

(1) 20.60.020.011-School Safety Block

Grants	52,537,000
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Provisions:

1. Of the funds appropriated in Schedule (1), ~~\$52,438,000~~ \$52,537,000 is available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) of Chapter 2 of Part 19 of the Education Code. An additional ~~\$38.6 million~~ \$38,720,000 in expenditures for this purpose has been deferred to the 2006-07 fiscal year.
2. Of the ~~\$38.6 million~~ \$38,720,000 deferred from this item program, \$1 million shall be made available for county offices of education pursuant to Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of the Education Code.
3. Of the funds appropriated in this item, \$345,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$2,132,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
4. The funds appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for ~~Emergency Procedures~~ *the comprehensive school safety plans activities of the emergency procedures mandate pursuant to Article 5 (commencing with Section 32280) of Chapter 2.5 of Part 19 of the Education Code.* Local education agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.
- ~~5. An additional \$36,894,000 in expenditures for this item has been deferred until the 2006-07 fiscal year.~~

SEC. 14. Item 6110-243-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-243-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Pupil Retention Block Grant pursuant to Article 2 of Chapter 3.2 (commencing with Section 41505) of the Education Code.	193,257,000 86,957,000
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Provisions:

- 1 1. Of the funds appropriated in this item, ~~\$1,139,000~~
2 \$571,778 is for the purpose of providing an adjust-
3 ment for increases in average daily attendance at a
4 rate of 0.69 percent. Additionally, ~~\$7,031,000~~
5 \$3,529,562 is for the purpose of providing a cost-of-
6 living adjustment at a rate of 4.23 percent.
- 7 ~~2. Notwithstanding any other provision of law, an addi-~~
8 ~~tional \$26,726,000 in expenditures for this item has~~
9 ~~been deferred until the 2006-07 fiscal year.~~
- 10 ~~3. Notwithstanding any other provision of law, of the~~
11 ~~funds appropriated in this item, \$20,000,000 shall be~~
12 ~~available to help eligible pupils pass the California~~
13 ~~High School Exit Examination (CAHSEE):~~
 - 14 ~~(a) An eligible pupil is a pupil who is required to~~
15 ~~pass the CAHSEE in order to receive a diploma~~
16 ~~in 2006 and who has failed one or both parts of~~
17 ~~that examination.~~
 - 18 ~~(b) The Superintendent of Public Instruction shall~~
19 ~~rank schools on the basis of the percentage of eli-~~
20 ~~gible pupils. The superintendent may give priori-~~
21 ~~ty to schools with the highest percentage of~~
22 ~~pupils who have failed both parts of the examina-~~
23 ~~tion.~~
 - 24 ~~(c) The superintendent shall apportion \$1,000 per eli-~~
25 ~~gible pupil to schools identified pursuant to subdivi-~~
26 ~~sion (b) in the order determined by the superin-~~
27 ~~tendent until the funds are exhausted.~~
 - 28 ~~(d) The funds apportioned pursuant to this provision~~
29 ~~shall be used to provide the services allowed un-~~
30 ~~der the Pupil Retention Block Grant or other in-~~
31 ~~tensive instruction and services designed to help~~
32 ~~eligible pupils pass the CAHSEE. The intensive~~
33 ~~instruction and services may be provided during~~
34 ~~the regular school day and may include, but are~~
35 ~~not limited to the following: hiring additional~~
36 ~~teachers; purchasing, scoring, and reviewing diag-~~
37 ~~nostic assessments; designing instruction to meet~~
38 ~~specific needs of eligible pupils; teacher training;~~
39 ~~and individual or small group instruction.~~

~~(e) As a condition of receipt of these funds the school shall ensure that (i) each eligible pupil receives an appropriate diagnostic assessment to identify that pupil's areas of need and (ii) each pupil receives intensive instruction and services based upon the diagnostic assessment.~~

SEC. 15. Item 6110-493 is added to Section 2.00 of Chapter 38 of the Statutes of 2005, to read:

6110-493—Reappropriation (Proposition 98), Department of Education.

Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations, for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 2006:

Provisions:

(1) \$22,800,000, or the lesser or greater amount necessary to meet the federal maintenance of effort requirements of the 2003-04 fiscal year, of the remaining General Fund balance of the amount appropriated in Item 6110-161-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be allocated on a one-time basis to SELPAs pursuant to paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code.

(2) \$3,200,000 of the remaining General Fund balance of the amount appropriated in Item 6110-161-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available to cover the cost of legislation making technical adjustments to the types of State Department of Social Services licensed facilities cited in the out-of-home care funding formula authorized in Chapter 914 of the Statutes of 2004.

SEC. 16. Item 8860-001-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

8860-001-0001—For support of Department of Finance 33,392,000

Schedule:

<i>(1) 10-Annual Financial Plan</i>	<i>19,139,000</i>
<i>(2) 20-Program and Information System Assessments</i>	<i>14,211,000</i>
<i>(3) 30-Supportive Data</i>	<i>14,284,000</i>
<i>(4) 40.01-Administration.....</i>	<i>5,742,000</i>
<i>(5) 40.02-Distributed Administration</i>	<i>-5,742,000</i>

1	(6) 97.20.001-Unallocated	Reduction	
2		-520,000
3	(7) Reimbursements.....		-13,722,000
4	Provisions:		
5	1. The funds appropriated in this item for CALSTARS		
6	shall be transferred by the Controller, upon order of		
7	the Director of Finance, or made available by the		
8	Department of Finance as a reimbursement, to other		
9	items and departments for CALSTARS-related activ-		
10	ities by the Department of Finance.		
11	2. The funds appropriated in this act for purposes of		
12	CALSTARS-related data-processing costs may be		
13	transferred between any items in this act by the Con-		
14	troller upon order of the Director of Finance. Any		
15	funds so transferred shall be used only for support of		
16	CALSTARS-related data-processing costs incurred.		
17	3. Notwithstanding any other provision of law, the Di-		
18	rector of Finance may authorize a loan from the		
19	General Fund to the Department of Finance for the		
20	purpose of meeting operational cashflow obligations		
21	for the 2005-06 fiscal year. The loan shall not ex-		
22	ceed the estimated amount of uncollected reimburse-		
23	ments for the final quarter of the fiscal year.		
24	4. From the funds appropriated in Schedule 3 for the		
25	purpose of evaluating and continuing development		
26	and enhancement of the Governor's Budget Presenta-		
27	tion System (GBPS), the following provisions ap-		
28	ply:		

- 1 (a) From time to time, but no later than December 1
2 of each year, the Department of Finance shall
3 update the Legislature on anticipated changes to
4 the GBPS. In addition, the Department of Fi-
5 nance shall (1) no later than the approximate
6 same time the Governor's Budget is formally
7 presented in electronic or any other Web-based
8 form, provide printed and bound hard copies of
9 the Governor's Budget and Governor's Budget
10 Summary as follows: to the Legislative Analyst
11 Office--45 copies, the Office of the Legislative
12 Counsel--six copies, offices of the Members of
13 the Legislature--120 copies, and the fiscal com-
14 mittees of the Legislature--60 copies, and (2) no
15 later than four weeks after the Governor's Bud-
16 get is formally presented in electronic or any
17 other Web-based form, 135 printed and bound
18 hard copies of the Governor's Budget and Gov-
19 ernor's Budget Summary shall be provided as
20 follows: two copies to the State Library, to en-
21 sure that the State Librarian maintains at least
22 one public copy and one for the permanent re-
23 search collections, and 133 copies: one copy to
24 each depository public library in the state. Addi-
25 tional copies, either bound or unbound, shall be
26 available for purchase by the public based on
27 the cost of producing the documents requested.
- 28 (b) Notwithstanding any other provision of law, the
29 Department of Finance may amend its existing
30 contract with the Web-development firm to aug-
31 ment and continue consulting services until
32 June 30, 2006, for the purpose of providing con-
33 tinuity of services and avoiding delays in pro-
34 ducing the Governor's Budget.

5. ~~It is the intent of the Legislature that newly reorganized departmental entities maintain effective systems of internal accounting and administrative control as an integral part of their management practices. Not less than \$1,150,000 in this item shall be used for the purpose of assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of government funds within any department or agency reorganized in the 2005-06 legislative session. The Department of Finance shall report to the fiscal committees of each house of the Legislature by December 1, 2005, on its preliminary review of the reorganized departmental entities, with a final report due no later than April 15, 2006.~~

6. Expenditure of funds in this item for the Budget Information System (BIS) is contingent upon submission of an approved Feasibility Study Report for the BIS project to the Legislature and a 45-day review period.

7. The Department of Finance shall evaluate the current mandates reimbursement process and provide alternatives and suggest improvements to the process to the chairperson of the fiscal committees of each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee not later than March 1, 2006.

SEC. 17. Section 12.75 of Chapter 38 of the Statutes of 2005 is amended to read:

Sec. 12.75. The Superintendent of Public Instruction shall reduce by ~~\$1,126,000~~ \$1,110,000 funding for basic aid school districts from the Proposition 98 categorical funds appropriated in this act that would otherwise be allocated to basic aid school districts, in accordance with legislation that ~~goes into~~ takes effect on or before January 1, 2006.

SEC. 18. Section 20 of Chapter 39 of the Statutes of 2005 is amended to read:

Sec. 20. Item 6110-485 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of ~~\$306,741,000~~ *\$346,497,000* is hereby reappropriated from the Proposition 98 Reversion Account, for the following purposes:

0001—General Fund

- (1) ~~\$183,508,000~~ *\$196,024,000* to the School Facilities Program for the purpose of funding the School Facilities Emergency Repair Account as required by Chapter 899 of the Statutes of 2004.
- (2) \$10,000,000 to the State Department of Education for the purpose of funding CalWORKs Stage 3 child care.
- (3) \$6,385,000 to the State Department of Education, for payment of Sunnyvale Desegregation claims and interest owed through the 1991-92 fiscal year. The funding shall not be provided for payment of claims and interest and shall be reverted to the General Fund if an appropriation is included in a claims bill for this purpose during the 2005-06 Regular Session.
- (4) \$1,050,000 on a one-time basis to the State Department of Education for the purpose of funding a pilot program to provide training for School Business Officers.
- (5) \$354,000 to the State Department of Education, for transfer by the Controller to Section A of the State School Fund, for payment of prior year child nutrition claims of \$335,000 in 2003-04, \$17,000 in 2000-01, and \$2,000 in 1999-00 fiscal years.
- (6) \$2,227,000, on a one-time basis, to the State Department of Education to cover start-up costs associated with the new California English Language Development Test contract.
- (7) \$9,000,000 to the State Department of Education, on a one-time basis, for the Charter School Facility Grant Program.
- (8) \$53,757,000 to the Controller to pay for prior year state obligations for K-12 mandate claims and interest.

(9) \$18,200,000 on a one-time basis to the State Department of Education for providing fruits and vegetables to schools pursuant to legislation enacted during the ~~2005-06~~ 2005-06 Regular Session.

(10) Up to \$49,500,000 to the Superintendent of Public Instruction for purposes of the allocations specified pursuant to Provision 3.

Provisions:

1. The funds specified in Schedule (7) shall be used to provide grants to charter schools that operate in low-income attendance areas for facilities-related expenses pursuant to Section 3 of Chapter 892 of the Statutes of 2001. No charter school receiving funds under this program shall receive funding in excess of 75 percent of annual lease costs through this program or any other source of funding provided in this or any other act.
2. The funds specified in Schedule (8) shall go to the Controller, who shall use the funds to pay for the oldest claims of those no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. No payments shall be made from the funds on any claims for the Standardized Testing and Reporting (STAR) Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals.
3. The governing board of a school district that has a school or schools that are ranked in deciles 1 to 3, inclusive, of the 2004 base Academic Performance Index, as defined in Section 52052 of the Education Code, may apply for funding specified in Schedule (10) for one or more such qualifying schools.
 - (a) As a condition of receipt of funds, the district governing board shall adopt a plan for use of the funds within the qualifying schools. The plan must be discussed and adopted at a regularly scheduled governing board meeting.

- 1 (b) Each applicant district shall receive fifty dol-
2 lars (\$50) per pupil based upon the number of
3 pupils in qualifying schools within the district.
4 (c) The funds shall be used for the purposes of im-
5 proving the educational culture and environ-
6 ment at those schools, which may include, but
7 are not limited to, the following specific purpos-
8 es:
9 (1) Assuring a safe, clean school environment for
10 teaching and learning.
11 (2) Providing support services for students, and
12 teachers.
13 (3) Activities, including differential compensation,
14 focused on the recruitment and retention at
15 those schools of teachers who meet the defini-
16 tion of a highly qualified teacher under the No
17 Child Left Behind Act of 2001 (20 U.S.C. Sec.
18 6301 et seq.).
19 (4) Activities, including differential compensation,
20 focused on the recruitment and retention at
21 those schools of highly skilled principals.
22 (5) Small group instruction.
23 (6) Providing time for teachers and principals to
24 collaborate regarding improving academic out-
25 comes for students.
26 (d) To the extent that funding is insufficient to
27 fund all eligible applicants, the amount provid-
28 ed shall be prorated to conform to available
29 funds.
30 (e) Of the funds specified in Schedule (10),
31 \$3,000,000 shall be available for allocation to a
32 County Office of Education on a competitive
33 basis for the purpose of contracting, on a com-
34 petitive basis, with an outside entity for the pur-
35 pose of recruiting highly qualified teachers to
36 qualifying schools in deciles 1 to 3, inclusive,
37 based on the 2004 Academic Performance In-
38 dex.

39 *SEC. 19. Section 21 of Chapter 39 of the Statutes of 2005 is*
40 *amended to read:*

Sec. 21. Item 6110-495 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-495—Reversion, Department of Education, Proposition

98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the State Controller within 60 days of enactment of this act:

0001—General Fund

- (1) ~~\$1,111,000~~ \$144,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-123-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (2) \$1,812,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-126-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- ~~(3) \$21,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-156-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).~~
- ~~(4) \$211,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).~~
- (5) \$50,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-177-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (6) \$66,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (7) \$127,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (8) \$545,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-195-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (9) \$24,396,000 or whatever the greater or lesser amount reflects the unencumbered balance of the amount appropriated for child care and development programs in Item 6110-196-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (10) \$78,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-197-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).

- 1 (11) \$1,030,000 or whatever lesser or greater amount
2 reflects unexpended funds from Item 6110-203-
3 0001, Budget Act of 2004 (Ch. 208, Stats. 2004).
4 ~~(12) \$27,000 or whatever lesser or greater amount re-~~
5 ~~flects the unexpended funds from Item 6110-209-~~
6 ~~0001, Budget Act of 2003 (Ch. 157, Stats. 2003).~~
7 (13) \$451,000 or whatever lesser or greater amount re-
8 flects the unexpended funds from Item 6110-211-
9 0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
10 ~~(14) \$110,000 or whatever greater or lesser amount re-~~
11 ~~flects the unexpended funds from Schedule (4) of~~
12 ~~Item 6110-485, Budget Act of 2003 (Ch. 157, Stats.~~
13 ~~2003).~~
14 ~~(15) \$22,000 from the appropriation made by para-~~
15 ~~graph (9) of subdivision (a) of Section 83 of Chap-~~
16 ~~ter 4 of the Statutes of 2003, First Extraordinary~~
17 ~~Session.~~
18 (16) \$4,600,000 or whatever greater or lesser amount
19 reflects unexpended funds from Item 6110-134-
20 0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
21 (17) \$1,013,000 or whatever greater or lesser amount
22 reflects unexpended funds from Item 6110-229-
23 0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
24 (18) \$8,000,000 or whatever greater or lesser amount
25 reflects unexpended funds from paragraph (1) of
26 subdivision (a) of Section 1 of Chapter 101 of the
27 Statutes of 2002.
28 (19) \$119,000 or whatever lesser or greater amount re-
29 flects unexpended funds from Item 6110-201-0001,
30 Budget Act of 2002 (Ch. 379, Stats. 2002).
31 (20) \$701,000 or whatever lesser or greater amount re-
32 flects unexpended funds from paragraph (4) of sub-
33 division (a) of Section 50 of Chapter 1167 of the
34 Statutes of 2002.
35 (21) \$3,000,000 or whatever greater or lesser amount
36 reflects unexpended funds from Section 11 of Chap-
37 ter 10 of the Statutes of 2003, First Extraordinary
38 Session.

- 1 (22) \$702,000 or whatever lesser or greater amount re-
- 2 flects unexpended funds from Item 6110-235-0001,
- 3 Budget Act of 2003 (Ch. 157, Stats. 2003).
- 4 (23) \$1,481,000 or whatever lesser or greater amount
- 5 reflects the unexpended funds from Item 6110-166-
- 6 0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- 7 (24) \$194,000 or whatever lesser or greater amount re-
- 8 flects the unexpended funds from Item 6110-122-
- 9 0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- 10 (25) \$398,000 or whatever lesser or greater amount re-
- 11 flects the unexpended funds from Item 6110-122-
- 12 0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- 13 (26) \$10,000,000 of the balance in the Child Care Facil-
- 14 ities Revolving Fund established pursuant to Sec-
- 15 tion 8278.3 of the Education Code.
- 16 ~~(27) \$1,981,000 or whatever lesser or greater amount~~
- 17 ~~reflects the unexpended funds from Item 6110-166-~~
- 18 ~~0001, Budget Act of 2003 (Ch. 157, Stats. 2003).~~
- 19 (28) \$1,300,000 from Item 6110-144-0001, Budget Act
- 20 of 2003 (Ch. 157, Stats. 2003).
- 21 (29) \$8,726,000 or whatever lesser or greater amount
- 22 reflects the unexpended funds from paragraph (3) of
- 23 subdivision (a) of Section 50 of Chapter 1167 of the
- 24 Statutes of 2002.
- 25 (30) \$61,568 or whatever greater or lesser amount re-
- 26 flects unexpended funds from Schedule (42) of Item
- 27 6110-485 of the Budget Act of 2001 (Ch. 106,
- 28 Stats. 2001), as added by Section 48 of Chapter 1 of
- 29 the Statutes of 2002, Third Extraordinary Session.
- 30 (31) \$650,874 or whatever greater or lesser amount re-
- 31 flects unexpended funds from Schedule (1) of Item
- 32 6110-111-0001 of the Budget Act of 2002 (Ch. 379,
- 33 Stats. 2002).
- 34 (32) \$156,788 or whatever greater or lesser amount re-
- 35 flects unexpended funds from Item 6110-112-0001
- 36 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 37 (33) \$243,780 or whatever greater or lesser amount re-
- 38 flects unexpended funds from Schedule (5) of Item
- 39 6110-113-0001 of the Budget Act of 2002 (Ch. 379,
- 40 Stats. 2002).

- 1 (34) \$542,174 or whatever greater or lesser amount re-
2 flects unexpended funds from Schedule (6) of Item
3 6110-113-0001 of the Budget Act of 2002 (Ch. 379,
4 Stats. 2002).
- 5 (35) \$292,458 or whatever greater or lesser amount re-
6 flects unexpended funds from Item 6110-120-0001
7 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 8 (36) \$77,120 or whatever greater or lesser amount re-
9 flects unexpended funds from Schedule (3) of Item
10 6110-123-0001 of the Budget Act of 2002 (Ch. 379,
11 Stats. 2002).
- 12 (37) \$56,005 or whatever greater or lesser amount re-
13 flects unexpended funds from Item 6110-126-0001
14 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 15 (38) \$513,842 or whatever greater or lesser amount re-
16 flects unexpended funds from Item 6110-127-0001
17 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 18 (39) \$13,250 or whatever greater or lesser amount re-
19 flects unexpended funds from Item 6110-137-0001
20 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 21 (40) \$507 or whatever greater or lesser amount reflects
22 unexpended funds from Item 6110-140-0001 of the
23 Budget Act of 2002 (Ch. 379, Stats. 2002).
- 24 (41) \$2,581 or whatever greater or lesser amount re-
25 flects unexpended funds from Schedule (1) of Item
26 6110-156-0001 of the Budget Act of 2002 (Ch. 379,
27 Stats. 2002).
- 28 (42) \$929,199 or whatever greater or lesser amount re-
29 flects unexpended funds from Schedule (1) of Item
30 6110-161-0001 of the Budget Act of 2002 (Ch. 379,
31 Stats. 2002).
- 32 (43) \$47,985 or whatever greater or lesser amount re-
33 flects unexpended funds from Schedule (2) of Item
34 6110-161-0001 of the Budget Act of 2002 (Ch. 379,
35 Stats. 2002).
- 36 (44) \$10,826 or whatever greater or lesser amount re-
37 flects unexpended funds from Item 6110-163-0001
38 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- 1 (45) \$24,873 or whatever greater or lesser amount re-
2 flects unexpended funds from Item 6110-167-0001
3 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 4 (46) \$5,317 or whatever greater or lesser amount re-
5 flects unexpended funds from Item 6110-189-0001
6 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- 7 (47) \$499 or whatever greater or lesser amount reflects
8 unexpended funds from Item 6110-191-0001 of the
9 Budget Act of 2002 (Ch. 379, Stats. 2002).
- 10 (48) \$9,438 or whatever greater or lesser amount re-
11 flects unexpended funds from Schedule (3) of Item
12 6110-193-0001 of the Budget Act of 2002 (Ch. 379,
13 Stats. 2002).
- 14 (49) \$14,244 or whatever greater or lesser amount re-
15 flects unexpended funds from Schedule (2) of Item
16 6110-193-0001 of the Budget Act of 2002 (Ch. 379,
17 Stats. 2002).
- 18 (50) \$1,335,625 or whatever greater or lesser amount
19 reflects unexpended funds from Schedule (1) of
20 Item 6110-198-0001 of the Budget Act of 2002
21 (Ch. 379, Stats. 2002).
- 22 (51) \$2,266,669 or whatever greater or lesser amount
23 reflects unexpended funds from Schedule (3) of
24 Item 6110-198-0001 of the Budget Act of 2002
25 (Ch. 379, Stats. 2002).
- 26 (52) \$4,352,385 or whatever greater or lesser amount
27 reflects unexpended funds from Schedule (2) of
28 Item 6110-198-0001 of the Budget Act of 2002
29 (Ch. 379, Stats. 2002).
- 30 (53) \$9,298 or whatever greater or lesser amount re-
31 flects unexpended funds from Schedule (1) of Item
32 6110-226-0001 of the Budget Act of 2002 (Ch. 379,
33 Stats. 2002).
- 34 (54) \$472 or whatever greater or lesser amount reflects
35 unexpended funds from Item 6110-229-0001 of the
36 Budget Act of 2002 (Ch. 379, Stats. 2002).
- 37 (55) \$75,570 or whatever greater or lesser amount re-
38 flects unexpended funds from Item 6110-240-0001
39 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- 1 (56) \$601 or whatever greater or lesser amount reflects
2 unexpended funds from Schedule (6) of Item 6110-
3 485 of the Budget Act of 2002 (Ch. 379, Stats.
4 2002).
- 5 (57) \$10,284 or whatever greater or lesser amount re-
6 flects unexpended funds from Schedule (5) of Item
7 6110-485 of the Budget Act of 2002 (Ch. 379,
8 Stats. 2002).
- 9 (58) \$18,060 or whatever greater or lesser amount re-
10 flects unexpended funds from subdivision (b) of
11 Section 72 of Chapter 4 of the Statutes of 2003,
12 First Extraordinary Session.
- 13 (59) \$9,386 or whatever greater or lesser amount re-
14 flects unexpended funds from paragraph (3) of sub-
15 division (a) of Section 1 of Chapter 101 of the
16 Statutes of 2002.
- 17 (60) \$1,292,454 or whatever greater or lesser amount
18 reflects unexpended funds from paragraph (4) of
19 subdivision (a) of Section 1 of Chapter 101 of the
20 Statutes of 2002.
- 21 (61) \$35,220 or whatever greater or lesser amount re-
22 flects unexpended funds from Chapter 704 of the
23 Statutes of 2000.
- 24 (62) \$9,332 or whatever greater or lesser amount re-
25 flects unexpended funds from appropriations for the
26 2003–04 fiscal year from Proposition 227 as ap-
27 proved by the voters at the November 3, 1998,
28 statewide general election.
- 29 (63) \$169,776 or whatever greater or lesser amount re-
30 flects unexpended funds from Item 6110-120-0001
31 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- 32 (64) ~~—\$25,904,057~~ \$10,904,057 or whatever lesser
33 amount reflects unexpended funds from Schedule
34 (1) of Item 6110-161-0001 of the Budget Act of
35 2003 (Ch. 157, Stats. 2003).
- 36 (65) \$2,695,943 or whatever greater or lesser amount
37 reflects unexpended funds from Schedule (2) of
38 Item 6110-161-0001 of the Budget Act of 2003
39 (Ch. 157, Stats. 2003).

- 1 (66) \$2,855 or whatever greater or lesser amount re-
- 2 flects unexpended funds from Schedule (3) of Item
- 3 6110-193-0001 of the Budget Act of 2003 (Ch. 157,
- 4 Stats. 2003).
- 5 (67) \$51,984 or whatever greater or lesser amount re-
- 6 flects unexpended funds from Schedule (1) of Item
- 7 6110-240-0001 of the Budget Act of 2003 (Ch. 157,
- 8 Stats. 2003).
- 9 (68) \$90,111 or whatever greater or lesser amount re-
- 10 flects unexpended funds from Item 6110-243-0001
- 11 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- 12 (69) \$328,112 or whatever greater or lesser amount re-
- 13 flects unexpended funds from Schedule (4) of Item
- 14 6110-485 of the Budget Act of 2003 (Ch. 157,
- 15 Stats. 2003).
- 16 (70) \$222 or whatever greater or lesser amount reflects
- 17 unexpended funds from Schedule (6) of Item 6110-
- 18 485 of the Budget Act of 2003 (Ch. 157, Stats.
- 19 2003).
- 20 (71) \$223,023 ~~or whatever greater~~ or *whatever* lesser
- 21 amount reflects unexpended funds from paragraph
- 22 (9) of subdivision (a) of Section 83 of Chapter 4 of
- 23 the Statutes of 2003, First Extraordinary Session.
- 24 (72) \$11,636,352 or whatever greater or lesser amount
- 25 reflects unexpended funds from paragraph (5) of
- 26 subdivision (a) of Section 83 of Chapter 4 of the
- 27 Statutes of 2003, First Extraordinary Session.
- 28 (73) \$2,079,182 or whatever greater or lesser amount
- 29 reflects unexpended funds from paragraph (5) of
- 30 subdivision (a) of Section 83 of Chapter 4 of the
- 31 Statutes of 2003, First Extraordinary Session.
- 32 (74) \$1,535 or whatever greater or lesser amount re-
- 33 flects unexpended funds from paragraph (1) of sub-
- 34 division (a) of Section 83 of Chapter 4 of the
- 35 Statutes of 2003, First Extraordinary Session.
- 36 (75) \$5,000,000 or whatever greater or lesser amount
- 37 reflects unexpended funds from Item 6110-144-
- 38 0001 of the Budget Act of 2004 (Ch. 208, Stats.
- 39 2004).

(76) \$1,000,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

(77) \$400 or whatever greater or lesser amount reflects unexpended funds from Schedule (9) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

(78) ~~—\$3,000,990~~ \$3,990,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (17) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

(79) \$31,000,000 or whatever lesser amount reflects unexpended funds from Item 6110-234-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

(80) \$22,652,000 or whatever greater or lesser amount reflects unexpended funds from Section 37 of Chapter 71 of the Statutes of 2000.

(81) \$22,690,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-196-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(82) *\$50,000,000 or whatever lesser amount reflects unexpended funds from Item 6110-234-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).*

SEC. 20. Section 30 of Chapter 73 of the Statutes of 2005 is amended to read:

Sec. 30. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2005 (Ch. _____ 38, Stats. 2005) shall be available for liquidation through July 31, 2008, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.

SEC. 21. Section 31 of Chapter 73 of the Statutes of 2005 is amended to read:

Sec. 31. (a) (1) The sum of six hundred five million ninety-four thousand dollars (\$605,094,000) is hereby

1 appropriated from the General Fund in accordance with the
2 following schedule:

3 (2) Of the amount appropriated in paragraph (1), the following
4 amounts are appropriated for expenditure during the 2006-07
5 fiscal year.

6 (A) The sum of six million two hundred twenty-seven
7 thousand dollars (\$6,227,000) to the State Department of
8 Education for apprenticeship programs to be expended consistent
9 with the requirements specified in Item 6110-103-0001 of
10 Section 2.00 of the Budget Act of 2005.

11 (B) The sum of ~~sixty-three million three hundred ninety-one~~
12 *ninety million one hundred seventeen* thousand dollars
13 ~~(\$63,391,000)~~ *(\$90,117,000)* to the State Department of
14 Education for supplemental instruction to be expended consistent
15 with the requirements specified in Item 6110-104-0001 of
16 Section 2.00 of the Budget Act of 2005. Of the amount
17 appropriated by this subparagraph, fifty-one million sixty-one
18 thousand dollars (\$51,061,000) shall be expended consistent with
19 Schedule (1) of Item 6110-104-0001 of Section 2.00 of the
20 Budget Act of 2005, ~~and~~ twelve million three hundred thirty
21 thousand dollars (\$12,330,000) shall be expended consistent with
22 Schedule (2) of that item, *four million six hundred ninety*
23 *thousand dollars (\$4,690,000) shall be expended consistent with*
24 *Schedule (3) of that item, and twenty-two million thirty-six*
25 *thousand dollars (\$22,036,000) shall be expended consistent with*
26 *Schedule (4) of that item.*

27 ~~(C) The sum of twenty-six million seven hundred twenty-six~~
28 ~~thousand dollars (\$26,726,000) to the State Department of~~
29 ~~Education for the Pupil Retention Block Grant to be expended~~
30 ~~consistent with the requirements specified in Item~~
31 ~~6110-243-0001 of Section 2.00 of the Budget Act of 2005.~~

32 (D) The sum of thirty-nine million six hundred thirty thousand
33 dollars (\$39,630,000) to the State Department of Education for
34 regional occupational centers and programs to be expended
35 consistent with the requirements specified in Schedule (1) of
36 Item 6110-105-0001 of Section 2.00 of the Budget Act of 2005.

37 (E) The sum of fifty-two million five hundred eighty-three
38 thousand dollars (\$52,583,000) to the State Department of
39 Education for home-to-school transportation to be expended

1 consistent with the requirements specified in Schedule (1) of
2 Item 6110-111-0001 of Section 2.00 of the Budget Act of 2005.

3 (F) The sum of four million two hundred ninety-four thousand
4 dollars (\$4,294,000) to the State Department of Education for the
5 Gifted and Talented Pupil Program to be expended consistent
6 with the requirements specified in Item 6110-124-0001 of
7 Section 2.00 of the Budget Act of 2005.

8 (G) The sum of forty-five million eight hundred ninety-six
9 thousand dollars (\$45,896,000) to the State Department of
10 Education for adult education to be expended consistent with the
11 requirements specified in Schedule (1) of Item 6110-156-0001 of
12 Section 2.00 of the Budget Act of 2005.

13 (H) The sum of four million seven hundred fifty-one thousand
14 dollars (\$4,751,000) to the State Department of Education for
15 community day schools to be expended consistent with the
16 requirements specified in Item 6110-190-0001 of Section 2.00 of
17 the Budget Act of 2005.

18 (I) The sum of five million nine hundred forty-seven thousand
19 dollars (\$5,947,000) to the State Department of Education for
20 categorical block grants for charter schools to be expended
21 consistent with the requirements specified in Item
22 6110-211-0001 of Section 2.00 of the Budget Act of 2005.

23 (J) The sum of thirty-eight million seven hundred twenty
24 thousand dollars (\$38,720,000) to the State Department of
25 Education for the School Safety Block Grant to be expended
26 consistent with the requirements specified in Schedule (1) of
27 Item 6110-228-0001 of Section 2.00 of the Budget Act of 2005.

28 (K) The sum of one hundred million one hundred eighteen
29 thousand dollars (\$100,118,000) to the State Department of
30 Education for Targeted Instructional Improvement Grant
31 Program to be expended consistent with the requirements
32 specified in Item 6110-246-0001 of Section 2.00 of the Budget
33 Act of 2005.

34 (L) The sum of two hundred million dollars (\$200,000,000) to
35 the Board of Governors of the California Community Colleges
36 for apportionments, to be expended in accordance with the
37 requirements specified in Schedule (1) of Item 6870-101-0001 of
38 Section 2.00 of the Budget Act of 2005.

39 (b) (1) Of the amount appropriated in paragraph (1) of
40 subdivision (a), ~~the following amounts are appropriated for the~~

1 ~~1995-96, 1996-97, and 2002-03 fiscal years, as specified in~~
2 ~~paragraphs (2) and (3):~~

3 ~~(A) The sum of sixteen million eight hundred eleven thousand~~
4 ~~dollars (\$16,811,000) is appropriated to the Controller to pay for~~
5 ~~prior year state obligations for K-12 and community college~~
6 ~~mandate claims and interest. The Controller shall use funds to~~
7 ~~pay for the oldest claims of those no longer subject to audit~~
8 ~~pursuant to subdivision (a) of Section 17558.5 of the~~
9 ~~Government Code, including accrued interest. No payments shall~~
10 ~~be made from the funds on any claims for the Standardized~~
11 ~~Testing and Reporting (STAR) Program, schoolsite councils,~~
12 ~~Brown Act reform, School Bus Safety II, or the removal of~~
13 ~~chemicals. The Controller shall provide reimbursement of claims~~
14 ~~and interest in accordance with the following schedule:~~

15 ~~(i)~~

16 ~~(A) The sum of six million eight hundred eleven thousand~~
17 ~~dollars (\$6,811,000) for reimbursement of claims filed by school~~
18 ~~districts and county offices of education.~~

19 ~~(ii)~~

20 ~~(B) The sum of ten million dollars (\$10,000,000) for~~
21 ~~reimbursement of claims filed by community college districts.~~

22 ~~(2) For purposes of making the computations required by~~
23 ~~Section 8 of Article XVI of the California Constitution, six~~
24 ~~million eight hundred eleven thousand dollars (\$6,811,000) of~~
25 ~~the appropriation made by paragraph (1) of subdivision (a) shall~~
26 ~~be deemed to be "General Fund" revenues appropriated to school~~
27 ~~districts, as defined in subdivision (c) of Section 41202 of the~~
28 ~~Education Code, and ten million dollars (\$10,000,000) of the~~
29 ~~appropriation made by paragraph (1) shall be deemed to be~~
30 ~~"General Fund" revenues appropriated to community college~~
31 ~~districts as defined in subdivision (d) of Section 41202 of the~~
32 ~~Education Code, for the 1995-96 fiscal year, and included within~~
33 ~~the "total allocations to school districts and community college~~
34 ~~districts from General Fund proceeds of taxes appropriated~~
35 ~~pursuant to Article XIII B," as defined in subdivision (e) of~~
36 ~~Section 41202 of the Education Code, for the 1995-96 fiscal~~
37 ~~year.~~

38 ~~(3) For purposes of making the computations required by~~
39 ~~Section 8 of Article XVI of the California Constitution, nine~~
40 ~~million twenty-nine thousand dollars (\$9,029,000) of the~~

~~1 appropriations made in paragraph (1) of subdivision (a) shall be
2 deemed to be “General Fund” revenues appropriated to
3 community college districts, as defined in subdivision (d) of
4 Section 41202 of the Education Code, for the 1996-97 fiscal
5 year, and included within the “total allocations to school districts
6 and community college districts from General Fund proceeds of
7 taxes appropriated pursuant to Article XIII B,” as defined in
8 subdivision (e) of Section 41202 of the Education Code, for the
9 1996-97 fiscal year.~~

~~10 (4) For purposes of making the computations required by
11 Section 8 of Article XVI of the California Constitution, nine
12 hundred seventy-one thousand dollars (\$971,000) of the
13 appropriations made in of paragraph (1) of subdivision (a) shall
14 be deemed to be “General Fund” revenues appropriated to
15 community college districts, as defined in subdivision (d) of
16 Section 41202 of the Education Code, for the 2002-03 fiscal
17 year, and included within the “total allocations to school districts
18 and community college districts from General Fund proceeds of
19 taxes appropriated pursuant to Article XIII B,” as defined in
20 subdivision (e) of Section 41202 of the Education Code, for the
21 2002-03 fiscal year.~~

~~22 (c) For the purposes of making the computations required by
23 Section 8 of Article XVI of the California Constitution, the
24 appropriations made by subparagraphs (A) to (K), inclusive, of
25 paragraph (2) of subdivision (a) shall be deemed to be “General
26 Fund revenues appropriated for school districts,” as defined in
27 subdivision (c) of Section 41202 of the Education Code, for the
28 2006-07 fiscal year, and included within the “total allocations to
29 school districts and community college districts from General
30 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
31 as defined in subdivision (e) of Section 41202 of the Education
32 Code, for the 2006-07 fiscal year.~~

~~33 (d) For the purposes of making the computations required by
34 Section 8 of Article XVI of the California Constitution, the
35 appropriation made by subparagraph (L) of paragraph (2) of
36 subdivision (a) shall be deemed to be “General Fund revenues
37 appropriated for community college districts,” as defined in
38 subdivision (d) of Section 41202 of the Education Code, for the
39 2006-07 fiscal year, and included within the “total allocations to
40 school districts and community college districts from General~~

1 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
2 as defined in subdivision (e) of Section 41202 of the Education
3 Code, for the 2006-07 fiscal year.

4 *SEC. 22. Section 32 of Chapter 73 of the Statutes of 2005 is*
5 *amended to read:*

6 *Sec. 32. Notwithstanding paragraph (1) of subdivision (d) of*
7 *Section 41207 of the Education Code, the funds appropriated*
8 *pursuant to subdivision (b) of Section 31 of this act shall be*
9 *deemed to be in partial satisfaction of the outstanding balance of*
10 *the Proposition 98 minimum funding obligation for the 1995-96;*
11 *~~1996-97, and 2002-03~~ fiscal years year determined pursuant to*
12 *Section 41207 of the Education Code and shall be in lieu of*
13 *sixteen million eight hundred eleven thousand dollars*
14 *(\$16,811,000) of the amount that would otherwise be*
15 *appropriated pursuant to subdivision (d) of that section for the*
16 *2006-07 fiscal year and in lieu of one hundred one million eight*
17 *hundred eleven thousand dollars (\$101,811,000) the amount that*
18 *would otherwise be appropriated pursuant to subdivision (d) of*
19 *that section for the 2007-08 fiscal year.*

20 *SEC. 23. (a) Up to \$21,025,000 of the funds previously*
21 *appropriated for Internet connectivity and network infrastructure*
22 *for schools offering kindergarten and grades 1 to 12, inclusive,*
23 *and county offices of education from the following*
24 *appropriations shall be available for expenditure by the Imperial*
25 *County Office of Education consortium to continue management*
26 *and operation of the high speed network during the 2005-06*
27 *fiscal year:*

28 *(1) Item 6440-001-0001, Schedule (a), Provision 44, Chapter*
29 *52 of the Statutes of 2000.*

30 *(2) Item 6440-001-0001, Schedule (1), Provision 24, Chapter*
31 *106 of the Statutes of 2001.*

32 *(3) Item 6440-001-0001, Schedule (1), Provision 24, Chapter*
33 *379 of the Statutes of 2002.*

34 *(4) Item 6440-001-0001, Schedule (1), Provision 22, Chapter*
35 *157 of the Statutes 2003.*

36 *(5) Item 6110-182-0001, Chapter 208 of the Statutes of 2004.*

37 *(b) Of the unexpended funds listed in subdivision (a), the*
38 *Imperial County Office of Education consortium may use up to*
39 *\$1,221,000 to administer and support the program. The program*
40 *shall be governed pursuant to legislation enacted for this*

1 *purpose on or before January 1, 2006, during the 2005-06*
2 *Regular Session.*

3 *(c) The Joint Legislative Audit Committee shall conduct an*
4 *audit of the K-12 High Speed Network. This audit shall identify*
5 *any prior-year funds that remain available for the project and*
6 *determine whether the state owns the network or any portion*
7 *thereof, that would affect the future development and usage of the*
8 *network. This audit shall also include an assessment of all of the*
9 *following:*

10 *(1) The quality of the oversight of the project.*

11 *(2) The reasonableness of the existing cost allocation*
12 *methodology employed by the California Research and*
13 *Education Network.*

14 *(3) The appropriateness of the contracts entered into by state*
15 *agencies transferring funds to the California Research and*
16 *Education Network.*

17 *SEC. 24. This act is an urgency statute necessary for the*
18 *immediate preservation of the public peace, health, or safety*
19 *within the meaning of Article IV of the Constitution and shall go*
20 *into immediate effect. The facts constituting the necessity are:*

21 *In order to make the necessary statutory changes to implement*
22 *the Budget Act of 2005 at the earliest time possible, it is*
23 *necessary that this act take effect immediately.*

24 ~~*SECTION 1. It is the intent of the Legislature to make*~~
25 ~~*statutory changes relating to the Budget Act of 2005.*~~